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China Report

RED FLAG

No 14, 16 July 1984

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Translation of the semimonthly theoretical journal of the Central Committee of the Communist Party of China published in Beijing.

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GAIN BENEFIT FROM HISTORICAL EXPERIENCES--INTRODUCING THE HISTORICAL BACKGROUND TO VOLUME II OF THE 'SELECTED WORKS OF CHEN YUN'

Beijing RED FLAG in Chinese No 14, 16 Jul 84 pp 2-10

[Article by the editorial group of the "Selected Works of Chen Yun"]

[Text] The second volume of the "Selected Works of Chen Yun" takes in Comrade Chen Yun's articles from August 1949 to July 1956. In order to help comrades understand the historical background of the financial and economic work that was expounded in the articles written by Comrade Chen Yun in this period and so that they can better understand Comrade Chen Yun's major economic views and his thinking and use them as reference in our current economic work, particularly the work related to our economic structural reform, we specially give the following explanation.

Besides confiscating and transforming bureaucratic capitalist enterprises, accomplishing the agrarian reform in the newly liberated areas, and carrying out the movements against the "three evils" and the "five evils," during the period from the victory of the people's liberation war throughout the country to the completion of the main of the socialist transformation, our party mainly carried on three major "battles" in the economic field, namely: 1) Centralizing the finance and economy and stabilizing prices of goods; 2) exercising a state monopoly over the purchases and sales of grain and a few other major agricultural products; and 3) carrying out the socialist transformation of the capitalist industry and commerce, individual agriculture, and handicraft undertakings. During that period, we also carried out the construction of the First 5-Year Plan. All these were, in essence, actions to systematically eliminate the capitalist system and lay a foundation for our country's socialism after thoroughly removing the semifeudal and semicolonial social and economic foundation left to us by the old China.

In 1949, as the KMT reactionary rule collapsed, we confiscated the bureaucratic capital and mastered the lifelines of our national economy. However, what we took over was an awful mess. Compared with the year 1936, in 1949, our country's heavy industrial production fell by 70 percent, light industrial production dropped by 30 percent, and agricultural production decreased by 25 percent. During the several years before the fall of the KMT government, the prices of goods in the areas under its rule jumped tens,

hundreds or even thousands of times each year. In less than 1 year, the "gold coin banknotes" issued by the KMT government in August 1948 became waste paper. While the entire country's industrial and agricultural production was very seriously undermined, the expenditure of the more than 5 million-strong principal force of the PLA grew increasingly great because it advanced quickly and thus extended its battleline. In 1949, military expenditure consumed more than half of our total financial revenue and in 1950, it used up 41.1 percent of it. In the newly liberated areas, we adopted a policy of "taking over" all of the large number of employees of the KMT government. As a result, by the beginning of 1950, our government had to provide for the livelihood of about 9 million military and civil government personnel throughout the country including those employed in the areas that we liberated before the liberation. This undoubtedly became a heavy burden on our economy. Besides, because our liberated areas were separated from one another by the enemy, in the past, various such areas were for a long time administered separately and each of them had its own currency, was solely responsible for its own revenue and expenditure, and had a unique situation of supply and demand. This aggravated the difficulties for the central authorities in exercising a centralized administration of finance under the new situation. All the above gave us extremely great financial and economic problems and made it for a time very difficult for us to gain the initiative in our financial and economic work. At that time, we could not help but rely on issuing currency to get the funds for most of the combat expenditure of our troops and the living expenses of our full-time government workers. Given that the state had extremely limited material resources in its hands, the volume of renminbi that we issued had risen 100-fold in November 1949 over that at the end of 1948, and 270 times by February 1950. The difficulties were indeed tremendously great. Of course, they were difficulties in the course of victory and were temporary difficulties.

Under a situation of extremely serious financial and economic difficulties, the CPC Central Committee sent Comrade Chen to Shanghai in July 1949 to make an investigation and study and hold a financial and economic work conference attended by the leading cadres of five major regions. This conference clearly and definitely formulated the principle of going all out to support the thorough victory of the liberation war and providing for the livelihood of the people in the newly liberated areas, particularly in large cities, and put forth the measures and steps to centralize the administration of finance and economy, and control the prices in our market. Both at and after the conference, Comrade Chen Yun pointed out the state had enough grain and cloth in its hands and this was a major means for it to stabilize the market and control prices. Having grain in our hands, we were able to stabilize our urban areas and having cloth in our hands, we were able to stabilize our rural areas, thus preventing capitalist speculators from taking advantage of the situation to make troubles. The key areas for the work of stabilizing the market and controlling prices were our large cities, particularly Shanghai, a city where the capitalists had the greatest strength and which was the old haunt of the speculators. This meant that as vast areas were liberated, the focal point of our economic work had to be moved to cities and the urban areas had to lead the rural areas. In the

nearly 10 months afterward, Comrade Chen Yun worked day and night to give personal direction to this "battle," in which the major measures were: The state centralized in its hands the issuance of currency, the administration of financial revenue and expenditure, and the arrangement of the inflow and outflow of grain. At the same time, it strengthened the work of levying grain for public use in order to have a large amount of grain in its hands, collected materials and goods in order to control the supplies of coal, cloth and salt, strengthened the work of tax collection, issued government bonds, absorbed idle funds in the society in order to effect a deflation, developed supply and marketing in order to restore the production in our factories and the circulation of commodities, grasped the purchases of agricultural and sideline products to satisfy the demand in our market and increase the income of our peasants, and streamlined our government organizations and reduced redundant personnel in order to reduce financial expenditure. From April 1949 to February 1950, there were four wide fluctuations in the prices of goods, but because we adopted correct policies and vigorous measures, we always had the initiative in our hands and during each period of wide fluctuation, we were able to defeat the attack of speculative capital in a relatively short time, control the prices within certain ranges and avoid galloping inflation. Of the four wide fluctuations of prices of goods, that in November 1949 was most serious. At that time, a daily price hike of 20 to 30 percent for grain, cotton yarn, metal hardware and chemical products began in Shanghai and spread to other large cities, and activities of speculation ran rampant. At that time, Comrade Chen Yun was personally in charge of the work. He transferred and amassed grain, cotton yarn and other major materials and goods from all over the country, made careful arrangement and full preparations for unified actions in all large cities to sell these materials and goods when the market peaked at that time, and thus dealt a crushing blow to the speculative capital that pushed the prices up and thoroughly defeated it in a few days. This enabled us to retain all the initiative in our hands after that. Though there was another price hike of 100 percent during the Spring Festival in February 1950, by March that year, we had entirely stabilized the prices of goods in the market all over our country. This showed that we had achieved victory in the first major "battle" on our economic front and had overcome the major difficulties at that time. Ever after that, we thoroughly smashed the adventurist speculative capital there and quickly eliminated the galloping inflation left over by the KMT reactionaries. For example, in March 1950, our wholesale price index was 100, by December 1950, it dropped to 85, in December 1951, it was 92.4 and in December 1952, it was 92.6. We could not help but regard it as a miracle to have thoroughly stabilized such a perilous market situation in less than 1 year. Our statistics showed that in Shanghai, a representative area for the whole country, the wholesale price index in February 1950 was only 20 times that of June 1949, when the country was initially liberated. This increase was much smaller than the increase in the volume of currency issued. At that time, this filled even representatives of the bourgeoisie with admiration. This victory became a beginning of a radical turn for the better to our country's financial and economic situation. Comrade Mao Zedong highly praised this victory and pointed out that its significance was no smaller than that of the Huai-Hai Campaign.

Stabilizing the market and controlling prices was carried out simultaneously with the implementation of centralization of the administration of the whole country's finance and economy. As far back as in the winter of 1949, the CPC Central Committee decided on the principle of centralizing the administration of the finance and economy of the whole country. At that time, the currency was unified in the areas inside the Shanhaiguan pass and the transference and exchange of money and communications and transportation were unblocked throughout our country. This provided necessary conditions for the implementation of the basic centralized administration of finance, collection of taxes, the levying of grain for public use, and trade and management of enterprises. At that time, Comrade Chen Yun pointed out that the implementation of centralization would cause localities to meet some difficulties, but the difficulties were small and would give rise to little harm. However, if we did not centralize the administration, we would meet great difficulties which would give rise to great harm. He put forth the ideas that we "should adhere to the principle of putting a larger public sector before a smaller public sector in our management" and that "in order to make progress on a backward and poor economic foundation, we must do our best to amass material and financial resources for centralized utilization." He reminded all the comrades who were engaged in financial and economic work about this and told them that they had to heighten their consciousness, foster the idea of taking the whole situation into account, and prevent one-sidedness and departmentalism. In March 1950, the Government Administration Council of the central people's government made a decision on centralizing the financial and economic work of the whole country. This decision was drafted by Comrade Chen Yun and is the article entitled "Centralize Financial and Economic Work" which is included in the book. After the implementation of this decision, the state's financial revenue rose sharply (the whole year's revenue was 31.7 percent more than estimated) and the expenditure was relatively low. Moreover, all the state's revenue was collected into the central exchequer. In April 1950, a new situation of an approximate balance between the financial revenue and expenditure of the whole country emerged. Because of the formulation of a correct principle of unifying major things and giving a free hand to the administration of minor things and centralizing major things and decentralizing minor things, and because we made a clear distinction between the responsibilities and powers of the central and local authorities, while we quickly and smoothly implemented the centralized administration of the financial and economic work of the whole country, we did not impede the initiative of the organizations at lower levels.

Stabilizing the prices of goods was undoubtedly a very good achievement and was beneficial to both the state and the urban and rural people. However, because the "brake" was operated too suddenly, there was a temporary phenomenon of "deflation" in the economy of our society. Beginning from April 1950, the circulation of currency greatly slowed down, the sales of commodities sharply decreased and bank deposits greatly increased. Under this situation, there emerged a stagnation in the sales of commodities not only in our large cities but also in our medium-sized and small cities. This caused our factories to suspend production, shops to close down, and

unemployment to rise. By May, the number of unemployed totaled more than 1.1 million throughout the country. In late May that year, Comrade Chen Yun put forth five measures to overcome the difficulties in our industry and commerce. In early June, he put forth the measure of readjusting the relations between the public and private sectors and consolidating the work of tax collection and decided to adopt the methods of giving orders for processing and production of goods to private factories so as to roughly include the production and sales of these factories into the orbit of our plans and enable them to free themselves from the threat of closing down. Under the situation of the state-run commercial sector expanding its wholesale business in the market, necessary regulations were made on the price policies for the private commercial sector, on the division of labor in purchasing agricultural and sideline products between state-run and private commercial sectors, and on the import and export trade of the private commercial sector. This made the private commercial sector, under the guidance of the state-run economic sector and the policies of the state, develop the exchange of goods between rural and urban areas and promote agricultural and sideline production. It also allowed the private commercial sector to earn decent profits. At the same time, Comrade Chen Yun put forth a suggestion on streamlining state organizations and reducing government administrative and military expenditure in order to increase investment in our industry.

In June 1950, just at the time when our country's economic situation was improving day by day, the U.S. imperialists publicly occupied our country's Taiwan Province while carrying out an armed intervention in Korea. In October that year, U.S. aggressor troops occupied Korea's Pyongyang and then marched toward the border of China. This seriously threatened the security of our country. Inspired by patriotism, the people of all nationalities and social strata in our country launched a dynamic campaign of resisting U.S. troops, aiding Korea, and defending homeland and motherland. They formed troops of volunteers who crossed the Yalu River in late October to fight shoulder to shoulder with the Korean People's Army. Under that new situation, our country had to adopt a new principle of its financial and economic work, namely, the policy that all sectors had to serve the war, that we had first to use our financial and material resources to guarantee the victory of the war, next to maintain the stability in our domestic market, and last to ensure the expenditure for various kinds of economic and cultural construction. At that time, that principle was called simultaneously carrying out resistance, stabilization, and construction. In 1951, the military expenditure rose to more than 5.26 million yuan, an increase of 87.9 percent over that in 1950. In 1952, it was over 500 million yuan more than that in 1951.

Why had we to put the stabilization of our market in second place and the expenditure for economic and cultural construction in third place? This was because the stabilization of prices was not only vital to the interests of the masses of people, but also embodied the balance between our financial revenue and expenditure, our credit balance, and our balance between the supply and demand of materials and goods. The balance in these three aspects was a basic content of the requirement for maintaining appropriate

proportional relations in our planned economy. Only by maintaining proportional relationships can we attain a great speed of development. Comrade Chen Yun has time and again stressed and repeatedly expounded on this idea.

During the 3 years of the war to resist U.S. aggression and aid Korea, we resolutely implemented the principle of simultaneously carrying out resistance, stabilization, and construction. This not only ensured the victory of the war and stability in our market, but also enabled our industrial and agricultural production, communications, transportation and exchange of materials and goods to be restored and developed and thus strengthened our state-run economic sector. Compared with 1949, in 1952, our country's national income rose by 70 percent, our gross industrial and agricultural output value rose by 77.5 percent, our modern industrial output value rose by 179 percent and our agriculture rose by 48.5 percent. The proportion of the output value of our modern industry, a major mark for the level of economic development of a country, in our gross industrial and agricultural output value rose from 17 percent to 26.7 percent. The proportion of the output value of our state-run, cooperative-run and joint state and private industrial sectors in the gross industrial output value rose from 36.7 percent to 61 percent and that of the private capitalist industrial sector dropped to 39 percent. The output of major industrial and agricultural products rose sharply: The output of steel rose from 158,000 to 1.35 million metric tons. That of coal rose from 32 million to 66 million metric tons. That of electricity rose from 4.3 billion to 7.3 billion kilowatt hours. That of machine tools rose from 1,600 to 13,700. That of cotton cloth rose from 1.89 billion to 3.83 billion meters. That of sugar rose from 200,000 to 450,000 metric tons. That of grain rose from 226 billion jin to 328 billion jin. That of cotton rose from 890 million to 2.6 billion jin. That of oil-bearing crops rose from 5.13 billion to 8.39 billion jin. At the same time, the volume of cargo transport in the whole country rose from 160 million to 315 million metric tons. The total amount of retail sales of commodities in the society rose from 17.1 billion yuan in 1950 to 27.7 billion yuan in 1952. The living standard of our urban and rural people greatly improved. In 1952, the investment in capital construction in the whole country totaled 4.36 billion yuan. As our national economy recovered in an all-round manner and to some extent developed, and as we completed the agrarian reform and the rational readjustment of our industry and commerce, we were thus able to carry out construction in a planned manner.

In 1953, our country began the construction of its First 5-Year Plan under the condition whereby the war to resist U.S. aggression and aid Korea had not yet finished. As far back as in the latter half of 1950, when the prices of goods had already been stabilized and our economic work had already been centralized, Comrade Chen Yun proposed some tentative ideas on the outline of the construction of the 5-year plan. He first considered the construction of water conservation facilities and railways and the construction of iron and steel, machine building, and chemical fertilizer plants. It was only the outbreak of the war to resist U.S. aggression and aid Korea that made it impossible for these tentative ideas to be substantiated. In the latter half of 1952, the agrarian reform had already

been mainly finished throughout the country, the movements against the "three evils" and the "five evils" had already been roughly finished, there had already been prospects of victory in the war to resist U.S. aggression and aid Korea, the goals of striking a balance between financial revenue and expenditure and stabilizing the prices of goods had already been attained, and in particular, we had scored tremendously great achievements in the work to restore our national economy; therefore, the conditions for formulating long-term construction plans were already mature. Under these conditions, in accordance with the decision of the CPC Central Committee, Comrade Chen Yun switched the focus of his work onto "formulating construction plans, and preparing cadres to meet the arrival of the period of large-scale economic construction." Together with Comrades Zhou Enlai and Li Fuchun, he presided over the work of formulating the First 5-Year Plan. Quite a few of the 156 major projects that the Soviet Union helped us to design and build were conscientiously examined and discussed by the technological workers and relevant cadres who were convened by Comrade Chen Yun personally. After discussion, these people decided the concrete plans for these projects. In many meetings, he time and again clearly pointed out the weak points in our country in carrying out large-scale construction, such as the weak geological work force, the backwardness in its educational work, the shortage of technological personnel and the totally inadequate construction and installation work force.

In June 1954, in his several points of explanation to the CPC Central Committee on the First 5-Year Plan, Comrade Chen Yun put forth the problem of how we were to satisfactorily do the work of planning in the light of the reality in our country. He pointed out that the weakest link in the whole plan was agricultural production and that even if the plan for agricultural production was fulfilled, we still would not have enough grain and therefore had to pay adequate attention to this problem. Concerning our heavy industrial sector, he pointed out that it would be difficult to change in a short time the backwardness in our petroleum industry and the shortage of coal and electricity. Comrade Chen Yun said: "We must observe the law of developing in a proportionate manner, but for different countries and furthermore, for a country in different periods, the concrete proportion between various sectors of production will not be the same.... The only method is to see whether we have struck a balance. If the proportion is appropriate, there will be a balance; and if there is a balance, the proportion is, in the main, appropriate." "Because our country is backward and wants to catch up in a short time, the balance in our plans will be a tense balance.... It is impossible to have a balance with a surplus of everything or to achieve a high growth rate with all sectors developing at the same speed. However it should by no means be so tense as to break the balance." At that time, he also pointed out we had to act within the limits of our capacity and be very careful in raising the purchase prices of agricultural products, reducing the prices of industrial products, and increasing wages.

In a country with such a large population as ours and with a backward economy, it is impossible to avoid difficulties in carrying out large-scale construction. What then was the most important problem?

In the light of the reality in our country at that time and in accordance with the experiences that we had gained since the founding of the PRC, Comrade Chen Yun held that the most important problem was the supply of grain. If we failed to satisfactorily solve the problem relating to grain, it would be impossible for us to guarantee the people's livelihood, stabilize the prices of goods in our market and our social order, or ensure the fulfillment of our plans. Our country's urban population was 61.69 million people in 1950, but in 1951, it rose to 66.36 million people; in 1952, it further rose to 71.63 million people and by 1953, it reached 78.26 million, an increase of 16.57 million people over that in 1950. As a result, the demand for grain rose sharply. This was one aspect of the problem. On the other hand, our peasants consumed more grain when their livelihood improved and thus greatly reduced the supply of commodity grain. Moreover, a large part of the grain was in the hands of private businessmen and the grain market was in anarchy. This provided speculators among the businessmen with the opportunity to make trouble. As a result, it was difficult for the state to fulfill its purchase plans while its sales of grain greatly exceeded the planned targets. This gave rise to a serious imbalance between supply and demand. In 1952, the state purchased a total of 66.5 billion jin of grain and got only 56.3 billion jin after deducting the grain that it sold back to peasants. This amount of grain fell far short of the demand of the increased urban population and the demand of our industrial production. This situation did not emerge accidentally. It reflected the contradiction between the state's large-scale construction and the backward small peasant economy, between the leadership of the state-run economic sector and the opposition to restrictions on the part of our peasants and the bourgeoisie, and between socialist and capitalist factors. Therefore, if we had not found a method to radically solve the problem related to our grain supply, there would have been a chaotic situation with an even more serious dislocation between grain supply and demand and this would inevitably have caused fluctuation in the prices of all other goods, had a repercussion on the whole situation, and hindered the fulfillment of the entire plan for our socialist construction.

In order to radically solve this contradiction, maintain a long-term balance between grain supply and demand, guarantee the stability of prices in our market and ensure the smooth progress of our socialist economic construction, Comrade Chen Yun widely solicited the opinions of the people in all circles and repeatedly made deepgoing, careful, and systematic investigation and study. He held that in order to solve the problem related to grain supply and demand, we must satisfactorily handle the following four relationships: the relationship between the state and the peasants, that between the state and consumers, that between the state and private businessmen and that between the state and localities and between localities. The most difficult problem to handle was the relationship between the state and the peasants, in particular, all the rural households that had surplus grain to sell, and the second most difficult problem was the relationship between the state and consumers, particularly all urban residents and the rural households that lacked grain. He also held that everything would be easy if we satisfactorily handled our relationship with the peasants and that as long as we had purchased grain, it would be

easy for us to distribute it. However, it was very difficult to satisfactorily handle our relationship with peasants. In a speech that he delivered at the national grain conference on 10 October 1953, after making a painstaking analysis of the situation relating to grain in the whole country, he vividly said: "We are carrying two loads of explosive on both ends of a pole on our shoulder. At one end is a load of black powder and at another, a load of TNT. If we fail to get grain, there will be a fluctuation in the whole market and if we adopt the method of compulsory purchases, we will possibly meet objections from our peasants. We have to choose between these two alternatives, both of which are dangerous." Before that speech, he repeatedly considered this problem, put forth eight schemes, compared one to another and measured each scheme's benefits and evils. Finally, with great willpower, he made up his mind to suggest to the CPC Central Committee: We had to adopt a method of thorough solution, that was: To impose a state purchase of grain on peasants and a grain supply ration on urban consumers. In short, this meant a planned purchase and supply of grain would be imposed. This major policy decision immediately won vigorous support from Comrades Zhou Enlai and Deng Xiaoping and was approved by Comrade Mao Zedong. Then the CPC Central Committee made a formal decision and promulgated the decision for implementation. The implementation of this major policy and the imposition of a state monopoly over the purchases and sales of cotton, cotton cloth, and edible oil constituted a vigorous guarantee for the stabilization of the prices of goods in our market and the smooth fulfillment of the First 5-Year Plan. Therefore, it was no exaggeration to call the imposition of a state monopoly over the purchases and sales of grain a second major "battle" in our economic field.

Through propaganda, education, and widespread practice, the method of purchasing and supplying grain, cotton, cotton cloth and edible oil in a planned manner was soon carried out universally in our country. The practice of "three fixes," namely, fixing the amount of output, purchases, and sales, was implemented in our rural areas; and the rough method was replaced by a more meticulous one of supplying grain in fixed ration in our urban areas and the work relating to grain continued to improve there. However, under the conditions of the coexistence of a variety of different economic factors, particularly, under the conditions whereby small peasant economy occupied a superior position, it was not easy to solve once and for all the contradictions between socialist and capitalist factors and between planning and spontaneity in our economy. The imposition of a state monopoly on the purchases and sales of grain was in conflict with the interests of a fairly large number of grain producers and consumers and with tradition. In addition, in 1954, the state purchased too much grain and landlords, rich peasants, and urban speculator businessmen made trouble. As a result, in the time between the spring and summer of 1955, there was another shortage of grain. At that time, nearly "everybody is talking about grain and every family is talking about the monopoly over grain sales." There were some people who did not lack grain, but made a hue and cry about the grain shortage. Some people who nursed a grievance against the party began to take the opportunity to attack the party and the people's government. A small number of mouthpieces of landlords and rich peasants even went so far as to fabricate facts and spread false views

in an attempt to put an end to the policy of imposing a state monopoly over the purchases and sales of grain. There were also some party and government cadres who did not understand the true situation and who wavered in their attitude toward this policy. Comrade Chen Yun personally sent people to make on-the-spot investigation and through making an all-round analysis and study, he held that the policy related to the monopoly of purchases and sales of grain must be adhered to and could not be changed, and that any view that advocated a suspension of the monopoly was wrong. In his speech at the Second Session of the First NPC, he made a faithful analysis of the situation of grain supply and sales in the whole country, criticized erroneous viewpoints and exposed the schemes of those who had an axe to grind. At the same time, he put forth some concrete methods for persisting in imposing the monopoly and improving the methods of the monopoly. After a period of time, we calmed down that tumult related to grain, stabilized the market and the social order, and made it possible for us to continue to implement the policy on conducting a state monopoly over the purchases and sales of grain.

Whether from the point of view of operating a socialist planned economy or from the point of view of guaranteeing the gradual improvement of our people's living standard, it was completely necessary to conduct a state monopoly over the purchases and sales of grain and other major agricultural products and the products made from them. Moreover, we had to persist in conducting this monopoly for a long time. Our monopoly over the purchases and sales of grain differed in nature from the system of compulsory collection of surplus grain during the initial period of the founding of the USSR, and it also differed diametrically in nature from the grain-rationing system imposed by the Japanese invaders during the period of the war of resistance against Japan. Our policy was not aimed at making our people suffer hunger but at giving them sufficient food. Our state monopoly over the purchases and sales of grain was a necessary measure for operating a planned economy under the conditions of agriculture being relatively backward.

By the way, we should like to mention that while adhering to the policy of conducting a state monopoly over the purchases and sales of grain, in February 1955, the State Council decided to issue new renminbi and withdraw the old renminbi currency that was in circulation at that time. In implementing this measure, we referred to our successive experiences in replacing currencies in the Shaanxi-Gansu-Ningxia border area during the war of resistance against Japan (for example, the experience in allowing both new and old currency to simultaneously be in circulation for a certain period of time and fixing the same rate of exchange between the two currencies for both individuals and units). We also took into consideration the lessons drawn from some inappropriate practices during the several currency reforms in the Soviet Union (for example, stipulating a lower exchange rate for sums of old currency exceeding a certain amount and fixing different exchange rates for state-run enterprises and cooperatives and collective farms); therefore, we stipulated a unified exchange rate between the new and old currencies and allowed both old and new currencies to circulate on an equal basis in our market for a certain period of time.

All individuals from any social stratum and all units of different natures were allowed to exchange the old currency in their hands for new currency within a certain deadline of time and the old currencies were not to be reissued after withdrawal. These measures won the support of the people all over our country and heightened the prestige and stability of renminbi. Undoubtedly, this was a major event in our economic life and a success in our country's financial work at that time.

The state monopoly over the purchases and sales of grain and other major agricultural products played an important role in the socialist transformation of the private industry and commerce and the individual agriculture. The main reason was that it severed the economic relations between capitalists and peasants and put capitalists in an isolated position in the economic field. As a result, it was hard for them to carry out speculation activities.

The implementation of the policy concerning the conducting of a state monopoly over the purchases and sales of major agricultural products and the victory in this implementation provided us with better conditions to speed up the socialist transformation of the capitalist industry and commerce and of the individual agriculture and handicraft undertakings. We all know that the collectivization of agriculture was a major issue which at that time was the responsibility of Comrade Mao Zedong and that Comrade Chen Yun was directly in charge of the transformation of private industry and commerce. Beginning from 1954, Comrade Chen Yun focused his major energy on this work.

Here, we should like to review the situation of the coexistence of five kinds of economic factors after the founding of the PRC and the process of the socialist transformation. In 1949, the state-run industrial sector contributed 34.7 percent of our gross industrial output value, the private capitalist industrial sector contributed 55.8 percent of it, and the elementary and advanced state capitalist industrial sectors contributed 9.5 percent. In our commercial sector, according to the statistics for 1950, of the total retail sales of commodities of the whole country, 14.9 percent was conducted by the state, 85 percent was conducted by private enterprises, and only 0.1 percent was conducted by state capitalist and cooperative enterprises. In 1950, only 10.7 percent of rural households in our country had joined agricultural production mutual aid teams and only 0.5 percent of handicraftsmen had joined cooperatives. From the above, we can see that for a certain length of time, it was imperative to allow five kinds of economic factors to coexist, to a certain extent utilizing the initiative of urban and rural capitalist sectors and giving play to the role of the individual economic sector. At the same time, it was entirely necessary to carry out systematic socialist transformation in different forms in the light of the differences between different sectors, namely, we adopted the form of state capitalism to transform private capitalist industry and commerce and the form of cooperative transformation for our individual agriculture and handicraft undertakings. It was entirely necessary to develop, in a planned manner, this transformation from an elementary form into an advanced form and finally complete the socialist

transformation. This conformed to the nature of our state and the desire of the people all over the country.

During the 3 years of economic restoration, we had already begun the work to transform our national economy and gradually strengthened the leading position of the socialist economic sector in our national economy. In this period, both the public and private industrial sectors developed, but the state-run industrial sector developed much more quickly and a part of the private industrial sector started to process goods at the orders of the state or was switched into joint state-private enterprises. In 1952, the proportion of the output value of the state-run, cooperative-run and joint state-private industrial sectors in our gross output value rose to 61 percent. At the same time, the turnover of wholesale trade by our state- and cooperative-run commerce accounted for 63 percent of the total wholesale turnover and that of retail trade in that commercial sector accounted for 34 percent of total retail turnover. However, as private industry and commerce was still fairly strong at that time and was still to some extent linked with individual agriculture and handicraft undertakings, the state-run economic sector still failed to take all the initiative into its hands. In 1952, at Comrade Mao Zedong's proposal, the CPC Central Committee put forth the general line for the transition period and required the gradual realization of the socialist industrialization of our country and the gradual realization of the socialist transformation of our agriculture, handicraft undertaking, and capitalist industry and commerce. This was a general line that was put forth in a timely manner and was necessary and which reflected the historical necessity.

Since the beginning of the construction of the First 5-Year Plan, because of the great increase in the demand in various sectors, the state's orders for processing of goods by private industry also increased day by day. Some private factories which met difficulties in their production, supply, and marketing applied to be turned into joint state-private factories. In 1952, various forms of state capitalism were carried out in 61 percent of our private capitalist industry and only 39 percent of the private factories carried out their production and marketing on their own. By 1955, 91 percent of the gross output of private industry was produced by enterprises in which various forms of state capitalism was implemented and only 9 percent was produced by private factories that carried out production and marketing on their own. The state capitalist industrial sector carried out its production according to contracts and state plans in accordance with the requirements of the state, and its products were purchased and dominated by the state. Therefore, to a very great extent, its activities of production and management were governed by state plans.

The work to transform private industry should not only coordinate with the transformation of individual agriculture and handicraft undertaking, but should also be combined with the reorganization of our economic structure. What the KMT reactionaries left us was an awful mess of semifeudal and semicolonial economy, the structure of which was very irrational. While transforming the private ownership of means of production, we had to reorganize the structure of this economy. This reorganization had to

enable the trades that were needed by the society and that failed to produce sufficient products, to develop. It had to control the trade that was needed by the society or that had a production capacity greater than necessary and even eliminate some factories through selection. This was a very complicated task. Comrade Chen Yun pointed out that in readjusting the production of private industry, we must implement, under the prerequisite of ensuring the continuous and steady increase of the socialist factor, the principle of making overall planning and of enabling the state-run, cooperative-run, joint state-private, and private industries each to play its role and make rational arrangements. In order to include the four kinds of industry all into the orbit of the state plans, we had to satisfactorily handle the contradictions between the public and the private sectors, between the advanced and the backward and between different areas in distributing raw materials and production tasks. Concerning the concrete measures, we had to carry out socialist transformation trade by trade through the methods of distributing raw materials and production tasks among various trades, calculating the capacity of equipment and arranging production plans. By so doing, we closely combined the transformation of our ownership with the reorganization of our economic structure.

The socialist transformation of our private commerce was more complicated than that of our private industry. According to the statistics for 1950, there were 4.02 million private commercial units throughout the country with a work force of 6.62 million people. Of these private commercial units, some were pure wholesalers or retailers, others mainly did wholesale business while doing some supplementary retail business, and still others mainly did retail business while doing some supplementary wholesale business. Some of the private commercial enterprises were large and employed a large work force, others were small shops with few employees, and still others were an extremely large number of household commercial firms or hawkers, which differed in a complicated way from one another, were small and scattered, were spread all over our urban and rural areas, and played their role in satisfying people's demand for articles of daily use. In transforming these units, we had to adopt different policies, steps, and methods. In the summer of 1954, Comrade Chen Yun pointed out that in transforming private commerce, we had to adopt the method of making progress while making arrangements and arranging another batch after one batch had made progress. During this process, it was more difficult to transform retailers than wholesalers, because the former were larger in number, and were widely linked with the spontaneous strength of the petite bourgeoisie. Therefore, in order to gradually bring them into the orbit of state capitalism, we had to meticulously organize them and carry out proper struggle. Moreover, even if they did undergo transformation, we still had to carry out constant struggle to improve their administration and management, rationally divide up supply networks, prevent them from passing forged goods for genuine ones and supervise their observation of regulations. We had to do an even larger amount of work to educate, train, and transform the minds of the employees in these units. In transforming private retailers, we had mainly to adopt the forms of assigning them as agents of sales or allocating goods to them for sale. We had to start from transforming the private retailers of grain and edible oil and gradually expand the scope of transformation.

Comrade Chen Yun pointed out that a sharp decrease in the turnover of private retailers would not only give rise to difficulties in the livelihood of many small shopowners and hawkers, but would also give rise to inconvenience for our residents. In order to avoid the emergence of this situation, in addition to appropriately allocating goods to these units, our state-run and cooperative commerce had to expand their business in some aspects while reducing it in other aspects or refrain from both expansion and reduction for a certain length of time. When expanding, we had to make appropriate arrangements for private businessmen. In addition, he pointed out that in order to transform private commerce, we had to centralize the leadership over the market in the whole country and unify the pace of the commercial work throughout our country. Under the centralized leadership of the central commercial ministry, there had to be a division of labor between the state-run commerce and the commerce of supply and marketing cooperatives in managing our urban and rural market. These commerce sectors had to always pay attention to making these two sectors support each other and correctly handle the relationships between domestic sales and export of commodities.

In the winter of 1955, as the cooperative transformation of agriculture came to a high tide, a new situation emerged in the socialist transformation of our country's private industry and commerce. In many areas, all units in a whole trade were turned into joint state-private enterprises. In the light of this situation, Comrade Chen Yun pointed out: "The problem now is to make a step forward." For this, he put forth six opinions of principle on the question of how we were to make progress in a planned and systematic manner. These opinions were: To make overall arrangement on a national scale on the production of all trades; to carry out big or small internal reorganization in all trades; to turn whole trades into joint state-private ones; to popularize the method of paying fixed interest; to organize specialized companies; to formulate overall plans; and to strengthen leadership.

As we all know, not long after, i.e., in the first half of 1956, we had already basically fulfilled the task of socialist transformation of our private industrial and commercial enterprises, turned all capitalist industries and commerce into joint state-private ones and also basically organized our hawkers. In 1956, the state-run industrial sector contributed 67.5 percent of our gross industrial output value, joint state-private industrial sector contributed 32.5 percent of it, and there was not much left for the private industrial sector which contributed less than 0.1 percent of it. In wholesale commerce, the proportion of state-run commercial sector and the supply and marketing cooperative enterprises and joint state-private commercial sector accounted for 99.9 percent and that of private wholesale commerce accounted for 0.1 percent only. In the total retail turnover of our social products, the proportion of state-run commercial sector, the supply and marketing cooperative enterprises, and joint state-private commercial sector accounted for 92.4 percent, that of private retail commerce accounted for 7.6 percent only. At the same time, 96.3 percent of rural households in our country had joined agricultural cooperatives and 87.8 percent of them had joined advanced agricultural cooperatives.

The cooperative transformation of our individual handicraft undertaking was also basically achieved. The collective handicraft undertaking was already contributing 91.7 percent of our gross output value of handicraft undertaking, while the individual handicraft undertaking only contributed 8.3 percent of it. Thus a fundamental change occurred in the structure of our country's national income, the proportion of the state-run economic sector accounted for 32.2 percent, that of the collective economic sector accounted for 53.4 percent, that of the joint state-private economic sector accounted for 7.3 percent and that of the individual economic sector accounted for 7.1 percent only. This was undoubtedly a big victory of our party's correct policies. However, precisely as Comrade Chen Yun pointed out at that time, the quite rapid turning of private industrial and commercial enterprises all over our country into joint state-private ones was only the beginning of our work. We had yet to accomplish the work which included checking up the capital and business accounting of our enterprises, arranging our production, reorganizing our enterprises, making arrangement for the placement of our whole staff and organizing our specialized companies and so forth. Moreover, turning quite a few small household commercial firms and hawkers into joint state-private ones in a similar way was not appropriate, we had to continue to let them adopt the form of being assigned as agents of sales or being allocated goods for sale. He also pointed out that for a period of time, the original methods of production and management must be preserved in order to avoid the malpractice of giving up previous good practice. In many of the speeches that he delivered afterward, Comrade Chen Yun also pointed out the defects and malpractices in our work such as blind combination of factories and shops, overconcentration of our production and management, and quite a few other problems that should be solved. After he concurrently held the post of minister of commerce, he stressed many times that people in our socialist commercial sector should firmly foster the viewpoints of serving our production, masses of people, and politics. He demanded that all trades and enterprises and their staff and workers should make their own work promote the development of industrial and agricultural production and satisfy as much as possible the demands of our people's livelihood in the urban and rural areas and of our production. He held that if they do a good job in these aspects, it meant that they would also fulfill their political duty in strengthening our socialist system.

The achievement in the transformation of our country's nonsocialist economy is a pioneering work in the history of socialist revolution. Marx thought over the method of carrying out redemption of the bourgeoisie after a success was won in revolution and Lenin put forth the tentative idea of conducting transition from state capitalism to socialism. Our party has creatively combined these tentative ideas with our country's concrete situation and has opened up a path of socialist transformation which is suited to China's distinctive features and enables its realization. In the later stage of the process of conducting our transformation, we committed errors such as demanding too quick a transformation of our individual economy, doing our work excessively roughly, conducting too rapid a transformation and pursuing uniformity; after the transformation of capitalist economy was basically completed, we quite inappropriately employed and dealt with some of the

original industrialists and businessmen. However, in a big country with a population of several hundred millions, it only took 6-7 years to comparatively smoothly carry out such a complicated, difficult, and deepgoing social transformation; this was indeed a great historical victory. We eliminated the system of exploitation and transformed the members of the exploiting class into laborers who support themselves by their own labor; at the same time, we avoided possible bad consequences such as the reduction of our industrial and agricultural output, the shriveling of our commerce, unemployment and so forth. As a result, we enabled our agricultural production to increase by 79 percent, the output value of the previous private industries to increase by more than 100 percent and the volume of retail sales of the previous private commerce to increase by around 20 percent. We politically strengthened the alliance of our workers and peasants. We handled the contradictions between the working class and the national bourgeoisie in the same way as we handled the contradictions among the people and attained our goals of transforming the bourgeois elements and of utilizing their knowledge and skill. We could say that this experience is of universal significance.

The great victory of the three big "battles" of stabilizing of our prices and unifying our economy, conducting state monopoly for purchase and marketing, and carrying out socialist transformation of private ownership of the means of production, and in addition, the achievement in the construction and planning of the First 5-Year Plan and the establishment of an initial foundation for socialist industrialization had already laid a foundation for our country's socialism. Afterward, although the economic construction of our country suffered a great setback and also underwent such a serious calamity as that of the "Great Proletarian Cultural Revolution," our great party and socialist country were still able to continuously maintain stability. The reasons why our great party and socialist country could maintain stability were because we had in addition to a large number of strong fighters in our party who adhered to dictatorship of the proletariat, Marxism-Leninism-Mao Zedong Thought; the firm foundation established in the above-mentioned period of time after the founding of our People's Republic has undoubtedly played a major role. Young men who joined the party and took part in revolutionary work during that period of time, have now already become the backbone forces in our various undertakings. The successful experiences in our struggles during that period of time do not lose their significance as time goes on.

We should also like to mention here that Comrade Chen Yun's speech entitled "The Leaders at High Levels Must Heighten Their Awareness," which he delivered at the Fourth Plenary Session of the Seventh CPC Central Committee in February 1954 is a study material of particularly great significance. Now, the work of our party rectification is developing gradually, our comrades and in particular, all comrades who hold leading posts, should be inspired and educated by his speech, should really and continuously heighten their own revolutionary awareness and vigilance and the party spirit, and ensure a high degree of ideological and political unity in our party.

After Comrade Chen Yun reviewed the manuscripts of this book, he particularly urged us again and again that at the time when we introduced this book, we must explain: When he was in charge of the Financial and Economic Committee, except for the necessary investigation and study made by him, nearly all policy decisions and particularly major policy decisions were made through collective discussion. Comrade Bo Yibo played an important role in the concrete work. Of course, quite a few major policy decisions were made in accordance with the line, principles, and policies defined by the party Central Committee headed by Comrade Mao Zedong or after the approval of the party Central Committee. He emphatically pointed out that when comrades read the manuscripts of this book and thought that there were some merits in work in that period, they should not ascribe all the credit to him alone.

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DRAWING ON HISTORICAL EXPERIENCES IS AN IMPORTANT CONDITION FOR THE PROPER
HANDLING OF CURRENT WORK

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[Commentator's article]

[Text] Almost all the works by Comrade Chen Yun in the second volume of the "Selected Works of Chen Yun" written from August 1949 to July 1956 have to do with economic work. Many chapters in them are devoted to the socialist transformation of capitalist industry and commerce by the state in the 1950's.

The general line put forth by the CPC Central Committee for the transition period in 1952 called for gradually realizing the state's socialist industrialization and gradually realizing the state's socialist transformation of agriculture and handicrafts and of capitalist industry and commerce with a fairly long period of time. The three major transformations represented a major reform in the means of production from private ownership to public ownership. This reform also involved enterprise reorganization and other problems on the line-up of productivity. But it basically called for a change in the quality of the relations of production and thus the establishment of our socialist economic base. This reform played a decisive role in solving the then prevailing main contradictions in the country, that is, the contradiction between the working class and the bourgeoisie and the contradiction between the socialist road and the capitalist road.

Just as proved by history, our party, through the three major transformations, creatively carved out a road to socialist transformation--a road suited to China's features. For capitalist industry and commerce, the peaceful redemption of the bourgeoisie, as assumed by Marx and Lenin, was realized through various patterns from low- to high-level state capitalism. This is to say that we solved in a unique way the problem of eliminating the capitalist system without bloodshed after the proletarian seizure of political power. For individual farming and handicrafts, we also adopted a series of transitory patterns and realized cooperation. This, combined with such major measures as the state purchase and marketing of staple agricultural products, allowed the consolidation of the worker-peasant alliance economically and then politically. Thus, we established in our country two different forms of public ownership and developed productivity,

creating favorable conditions for establishing an initial foundation for our country's industrialization. In the later stage of the three major transformations, our work was marked by shortcomings and deviations. The main reason was that we had been overhasty, too perfunctory, content with nothing but fast change and confined to one single pattern in the transformation of individual farming and handicrafts and commerce, so that many problems remained. It cannot be said that the "communist wind" whipped up in 1958 was not unrelated to this ideologically. But no matter what, generally speaking, the successful completion of the three major transformations--that is, "the relatively smooth realization of such a complicated, difficult and profound social reform in a big country with a population of several hundred million--stimulated the development of agriculture and the whole national economy. This was indeed a great historic victory." ("A Resolution on Certain Historical Problems of the Party Since the Founding of the PRC") An important part of this volume of works by Comrade Chen Yun is exactly a detailed account and a scientific summary of this great historic victory.

Among certain theoretical workers, there is the argument that the three major transformations had not been expressed as a historical necessity, or that shortcomings and deviations had dominated. Such a view is obviously contrary to historical facts and is therefore wrong. It was hardly conceivable that without the victory of the three major transformations, we could have laid a solid socialist foundation. It was also hardly conceivable that without this foundation, we could have solved the then prevailing main contradictions at home, achieved political stability and economic and cultural development, held out against imperialist blockades and encirclements and emerged from various subsequent setbacks economically and politically. To negate the historical necessity of the three major transformations and their great success is to negate the chapter of history in which the people of all nationalities throughout the country created socialism under the correct leadership of the CPC. The above argument therefore cannot be accepted.

The economic reforms now being carried out by us are similar to the main tasks in the three major transformations. They are all aimed at effectively developing social productivity to consolidate and enrich the socialist motherland. The current many-sided reforms in the economic area, some of them involving the relations of production, are intended to make the relations of socialist production more perfect and suited to the state of productivity and to stimulate the development of production. At present, the state economy and the collective economy represent our country's basic economic pattern, the limited individual worker economy being a necessary supplement. Under the open-door policy, we direct foreign investments to the establishment of certain enterprises. This will be another necessary supplement to our country's public ownership economy. Our reforms in regard to the system of distribution also fall within this scope. As far as the actual situation is concerned, with our country now at the initial stage of socialist development, it is necessary for us to adopt such a policy. This is favorable to the whole situation. Another important aspect of our current reform effort calls for the reform of the economic system and the ways

of management, including certain links in the superstructure unsuited to the economic foundation and unfavorable to the development of productivity. In the current reform effort, we must bring economic legislation, the economic system, the economic structure, and economic management in line with the actual conditions of our social economy and the needs of its development and also enable them to act in coordination as "parts of the whole." In reform, we should further take the rapid development of the current world technological revolution into consideration and providently solve those problems that should be solved.

Among a small number of theory workers, the view held about the relations between the two great reforms is that there is not the least in common between them, and even that the current economic reform is a negation of the three major transformations in the 1950's. This view is obviously incorrect and is unwholesome and harmful. In analyzing any social problem, we must put it within a certain historical scope and make a concrete analysis of concrete conditions. This is an absolute requirement, where the Marxist conception of history is concerned. The success of the three major transformations in the 1950's and their tremendous impact and also their shortcomings and deviations have already been mentioned by us above. How can it be said that the current reform is a step not forward but backward?

The most outstanding feature of all the pieces in this volume of selected works by Comrade Chen Yun, like all his other writings, is one of seeking truth from facts. In the three major "battles" in directing the economic front after the founding of the state, he always combined principle with flexibility in seeking the most satisfactory solution to a problem--doing so bearing in mind problems on the whole situation and with regard to then prevailing actual conditions. Comrade Mao Zedong equated the "truth" in the term of seeking truth from facts with the law governing a thing. This is entirely correct. But some comrades treat laws as something abstract. This is not proper. Just as truth is concrete, so a law is also not purely abstract. It is packed with concrete contents. To seek truth from facts is to make a concrete analysis of concrete conditions and understand the internal links and main contradictions in things in a concrete analysis and thus come up with a concrete solution to a problem. In studying the second volume of the "Selected Works of Chen Yun," we must pay careful attention and think. Thus it will not be difficult for us to understand how Comrade Chen Yun skillfully applied the Marxist stand, viewpoint, and methods in solving extremely complicated and difficult problems at that time and to benefit from this highly scientific way of thinking and way of doing things.

Some comrades often separate the emancipation of the mind from the seeking of truth from facts and put the two in opposition. This is a misinterpretation that should not be tolerated. To achieve the aim of seeking truth from facts, we must of course emancipate the mind from the bonds of dogmatism and empiricism, from the bonds of the general experiences of other countries, and from the bonds of obsession with stereotypes, or impractical wishful thinking. This is to say that we must bring our subjective world in line with objective realities. Comrade Mao Zedong led the Chinese revolution to victory primarily because he found the concrete road to the Chinese

revolution in a bold breakaway from the bonds of various ideas. But such an emancipation of the mind is combined with a strict scientific attitude. Or it may be said that it is based on the need to seek truth from facts. In guiding the advance of our party along a new revolutionary road, Comrade Mao Zedong always proceeded from concrete realities properly solving, one by one, the many complicated problems confronting him. From this, it can be seen that the emancipation of the mind must be closely linked with the seeking of truth from facts. The two cannot be separated. Still less can they be put in opposition.

We now call upon the comrades of the whole party to continue emancipating the mind. This is highly necessary. Many non-Marxist ideas and methods are still seriously restraining people in their scope of thinking. People's thinking often falls short of the practice of the masses. This is also a fact. But at the same time, we must in emancipating the mind show respect for science and bring out subjective thinking in line with objective laws. In fact, the emancipation of the mind really involves a problem of whether or not there is a basis or a scope for it, or whether or not science is held in respect. If there is no basis or no scope for the emancipation of the mind, the result will be a lapse into wishful thinking divorced from reality, or subjectivism running counter to objective laws. At the 3d Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping called for both the emancipation of the mind and the seeking of truth from facts in putting forth the ideological and the political lines. This is a summary of historical experiences and carries extremely profound significance. We must assume a very solemn attitude toward this problem, because we hold ourselves absolutely responsible for the cause of socialist construction and the interests of the people of all nationalities. In the economic area, we must assume a down-to-earth scientific attitude, be it reorganization or reform, the handling of matters involving our own or other countries, or construction or the life of the people. Only in this way can we succeed. In the current economic reform, there is really the problem of the mind being not sufficiently emancipated. Continuous efforts should be directed to solving this problem. Meanwhile, we should also draw a lesson from the shortcomings and mistakes in the three major transformations in the 1950's and prevent a repetition of such problems as being overhasty in getting things done, perfunctory in work performance, content with nothing but quick changes, and confined to a single pattern in doing things. This is to say that we must not only be bold in thinking but also act in line with realities. We must combine decisiveness in policy making with a down-to-earth approach to work. It should be noted that the economic reforms involving wide areas which are interrelated and mutually restrained, is a very complicated affair. The reforms in the superstructure are more complicated than those in the relations of production and still more complicated than those in productivity. We should combine exploration with advance. In the everyday language of the masses, we should "make our way across the river feeling for the stones." We would rather first find things out and be on the safe side than hastily walk down into a body of water without checking how deep or shallow it is. The sections on the economic reforms in the "Government Work Report" given by Comrade Zhao Ziyang at the Second Session of the Sixth NPC on behalf of the State Council gave full expression to this spirit.

The point summed up in our above views on the publication and distribution of the second volume of the "Selected Works of Chen Yun" is what was put forth in a letter by Comrade Chen Yun in the spring of this year to the Economic Planning Society on reforming the planning system. This calls for "emancipating the mind, seeking truth from facts, continuing to make explorations, and doing work in a down-to-earth manner." This applies to the reform of the economic planning system. The same is true of other economic systems. If we have really done so, then the current reform in the economic area will surely bring still greater successes than the three major transformations.

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CARRY OUT IN A DEEP-GOING WAY EDUCATION IN THOROUGHLY NEGATING THE 'CULTURAL REVOLUTION'

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[Commentator's article]

[Text] It is essential to conduct profound education in totally negating the "Great Cultural Revolution" for the broad party members and cadres.

The "Great Cultural Revolution" was an internal disorder which was mistakenly initiated by the leadership, and which was taken advantage of by the counterrevolutionary cliques, thus bringing about serious calamities to the party, the state, and the people. Its consequences were so serious that the broad cadres were persecuted, many qualified personnel were trampled upon, and the national economy was damaged. From theory to practice, the "Great Cultural Revolution" was completely wrong. Although the 6th Plenary Session of the 11th CPC Central Committee totally negated the "Great Cultural Revolution," yet even today certain party members and cadres have not solved this issue very well. Certain comrades have negated the "Great Cultural Revolution" in general and in principle, but they still harbor reservations on certain specific issues and look with different eyes at problems in their own areas, departments, and units, especially those problems that are directly linked to themselves; and even if they do not hold that there is something in the "Cultural Revolution" that can be used, they hold that some things were not all that wrong. Although certain comrades profoundly hate the "Great Cultural Revolution," they are still bound up to some degree, from thinking to action, by the "leftist" trappings of the "Great Cultural Revolution," and are unable to vigorously advance in big strides to clear the way for forging ahead. Certain comrades still have only a vague idea of why and in what respect the "Great Cultural Revolution" was wrong, and are unable to think the thing out clearly. Such a situation indicates that to conduct education in better understanding the "Great Cultural Revolution" for the party members and cadres is a crucial question that tolerates no negligence, no matter whether we judge from the viewpoint of doing well in the party rectification or the viewpoint of achieving the general task and the general target of the 12th CPC Congress.

Each of the four tasks of this party rectification must take the work of totally negating the "Great Cultural Revolution" as the prerequisite. For

example, when we carry out the first task of seeking unity of thinking and solving problems of being in keeping with the CPC Central Committee, we must first totally negate the "Great Cultural Revolution." The party's line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee were developed on the basis of totally negating the "Great Cultural Revolution," and were also the results of the efforts to bring order out of chaos. Whether or not we negate the "Great Cultural Revolution" and whether or not we do so thoroughly have direct and significant bearing on whether or not we can really understand and resolutely implement the party's line, principles, and policies. At present, some people are full of worries in the face of the tides of reform which are gradually surging from the rural areas to urban areas; do not play an active role in implementing policies toward intellectuals and in giving play to the role of intellectuals; and so on. Such actions have connections with the fact that they have not eliminated the "leftist" influence from the "Great Cultural Revolution." Furthermore, let's take the practice of purifying the organization as another example. If we do not totally negate the "Great Cultural Revolution," and eliminate the interference of factionalism, we shall be unable to weed out the dangerous "people of three categories." We may even select them into the "third echelon," bringing the possibility of serious trouble in the future. Therefore, we should attach great importance to the issue of totally negating the "Great Cultural Revolution."

In that case, how do we solve the problem of getting a deeper understanding on totally negating the "Great Cultural Revolution"?

First, we must restudy the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC"; further get a clear idea of the so-called "theory of continued revolution under the dictatorship of the proletariat," which was the theoretical basis of the "Great Cultural Revolution"; and understand that the whole line, principles, policies and practices under such a "theory" were wrong. In other words, through theory and practice, we must fully understand why we must totally negate the "Great Cultural Revolution." We should realize that there were a series of mistakes, from theory to practice, behind the five characters of the "Great Cultural Revolution." If we do not make clear the content, reflections, and essence of these mistakes, we shall basically be unable to solve problems in totally negating the "Great Cultural Revolution." At present, there is the kind of situation in which some people always feel that the faction which they took part in or supported during the "Great Cultural Revolution" was correct, whereas the other faction was wrong. Therefore, in their relations with people, they keep close to some and aloof from others; and when selecting and promoting cadres, they only have eyes for people of their faction. As a result they only focus on the other faction when weeding out "people of three categories." These people only oppose factionalism in others without acknowledging their own factionalism; and they even regard their own factionalism as party spirit. We should further eliminate factionalism, politically, ideologically, and within the organization, which is an important issue that we must solve in the current party rectification. Party organizations at all levels must attach greater importance to the work of strengthening party spirit and eliminating factionalism,

particularly eliminating factionalism among the leading groups. One could ask why is it that some people uphold factionalism in such a stubborn way? The answer is that it is mainly because they have not fully understood that the "Great Cultural Revolution" was wrong, from theory to practice; and have not totally negated the "Great Cultural Revolution." Otherwise, they would not negate one faction while affirming another one in their activities under the direction of the so-called "theory of continued revolution under the dictatorship of the proletariat," which was formed during the "Great Cultural Revolution." Only when we totally negate the "Great Cultural Revolution" can we completely eliminate factionalism. Thus, we can realize that we must get a better understanding on the "Great Cultural Revolution." As with all other things, this requires us to do so in a repeated way and continuously in a profound way rather than accomplishing everything at once.

Second, on the basis of studying the documents and improving understanding, we must integrate with the reality of our own areas, departments, and units. Also, we should be considerate, check our own thinking in a truth-seeking manner, and correctly understand and evaluate our own mistakes and problems during the "Great Cultural Revolution." The "Great Cultural Revolution" occurred under specific historical conditions, and its influence was fairly popular. We always say that we must liquidate the pernicious influence of the "Great Cultural Revolution." But where is the pernicious influence? In the final analysis, it is in people's minds. Hence, our work of liquidating the pernicious influence is to seriously examine our own mistakes committed during the "Great Cultural Revolution," and check our thinking. In the party rectification, all party members and party cadres should set strict demands for themselves, and be strict in dissecting themselves ideologically. Even those comrades who were assaulted, criticized, and detained in the "cow pens" are not in a position to say that they have a very clear understanding on all the things that happened during the "Great Cultural Revolution." Instead, they are also assigned the task of checking their own ideology. Only when all of us conscientiously check our own thinking and eliminate the "leftist" influence, can we totally negate the "Great Cultural Revolution." Otherwise, we shall continue to neglect the "leftist" influence and find a variety of "reasons" to defend it, in addition to already having been under its influence, having committed this and that kind of mistake and having this and that kind of problem. Is this not a case in which we continue to preserve in our mind the erroneous things of the "Great Cultural Revolution," and this thus objectively makes us argue in favor of the "Great Cultural Revolution"? Of course, when we check the ideology and examine the mistakes, we mainly depend on self-awareness, the summing-up of one's own experience, and the heightening of understanding rather than on forcing everyone to make a self-criticism at a meeting or to measure up to a certain standard.

Third, the leading cadres must play a leading role and set an example. This is because: First, whether or not the leading cadres totally negate the "Great Cultural Revolution," and have a high degree of unity with the CPC Central Committee in ideological and political areas have a decisive significance on whether or not an area, a department, or a unit can create a new situation in its work; second, only when the leading cadres set

strict demands on themselves, take the lead in checking their own thinking, and set an example for the broad party members, and only after they have checked their own thinking, can they set strict demands on others. Otherwise, the demands they set will only be the low ones rather than high ones; third, generally speaking, the leading cadres behaved quite well during the "Great Cultural Revolution," and had rather few problems. Thus, they are apt to neglect checking their own thinking. Moreover, when people propose suggestions to the leading cadres, they always "say as few words as possible in their conversations." This further makes these comrades often neglect their own problems. We must pay particular attention to this point. Some leading comrades feel that they were the target of criticism and attack during the "Great Cultural Revolution." They have seldom or even never thought about their mistakes and problems. Is it that these comrades neither made a mistake nor had a problem? Since the "Great Cultural Revolution" lasted 10 years and underwent many twists and turns, there are only a few people who never made a mistake. Some comrades behaved quite well in general, but they also made mistakes in a certain stage and on a certain question. They should learn from their experience and act in a truth-seeking manner on this issue. Right is right, wrong is wrong. We must neither gloss over our faults nor use the correct things to offset the wrong ones, still less use the correct things to cover up the wrong ones. It is even worse to stall people off with such sayings as "I had no alternative but to implement it." Some comrades only talk about how they made achievements but never mention their failure. This practice is neither the attitude of seeking truth from facts nor in favor of drawing lessons from the experience. It is neither in favor of heightening the consciousness nor improving the party spirit. Even if one really had neither a mistake nor a problem, would his thinking be affected by the "leftist" influence? It is impossible to remain untouched by the influence, as there were so many erroneous viewpoints and so many "leftist" principles and policies during the "Great Cultural Revolution." If one has been affected but pays no attention to its elimination, the results will be reflected through one's work. Furthermore, it is not just a question of influence for some comrades. Therefore, whether or not the leading cadres can conscientiously check their own thinking and totally negate the "Great Cultural Revolution" is by no means a trifling matter.

Totally negating the "Great Cultural Revolution" is an issue to be solved in party rectification and is also a current major task on the ideological front. Every party member and party cadre must further eliminate the "Great Cultural Revolution" and other erroneous "leftist" and rightist influences. They must heighten their consciousness and improve the party spirit, so as to conform to the requirements of the new tasks under the new situation, and to lead the broad masses to stride forward on the road of the socialist modernizations.

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TRENDS IN CHINA'S AGRICULTURAL TECHNOLOGICAL REFORM

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[Article by Du Runsheng [2629 3387 3932]]

[Text] During the past few years, our rural situation has improved year by year. This has proved that the principle put forth by the CPC Central Committee of relying on policies and science to develop our agriculture is entirely correct and very effective. In the future, we should continue to revitalize our agriculture under the guidance of this principle.

Some people have asked: How long can we rely on our policies, since we cannot bring about new change in our responsibility system year by year? The responsibility system should be adhered to for a long time and continuously perfected; moreover, we have other policies in addition to the responsibility system. By relying on policies, we do not mean relying only on the responsibility system. We should collect all the measures that can help us encourage the socialist enthusiasm of our laboring people and promote the development of rural productive force, turn these measures into the policies of our party and government, and have these policies implemented. Our policies involve all aspects of our social life and undergo an endless process of development. At any one time, we have a policy. When we are not carrying out correct policies, we must be carrying out erroneous policies. This is because there are always contradictions in our society, which always exist between our superstructure and economic foundation, between our productive force and relations of production, among our people, and between different classes at those times when classes still exist. The world is filled with contradictions, which always exist. In order to solve these contradictions, a society should always stipulate some norms to govern people's behavior. These norms are precisely policies. A government or a political party has to formulate some policies for a certain period in accordance with the situation at that time and place. Furthermore, at each stage of its work, its major policies should have stability, that is, at each stage, the major policies should remain stable. When the situation changes at the next stage, it should substitute new policies for old ones and maintain these new policies throughout the stage. This process will be repeated forever. The 3d Plenary Session of the 11th CPC Central Committee marked the beginning of a new period of the development of our country's socialist economy. Our party has resumed the line of seeking truth from

facts in formulating its rural policies, which conform to the reality in our rural areas and satisfy the desire of the 800 million peasants. Our political and economic reforms provide an even greater guarantee for the continuity of the CPC Central Committee's policies. Therefore, our policies can and must be relied on. There is no limit to the development of our policies, but the role of each concrete policy is conditional and limited. For example, in order to develop production, we should have a responsibility system which can encourage our peasants' enthusiasm in developing production. However, production is itself a movement of materials. It is a process of the transformation of materials and energy, therefore, it needs certain material conditions. We cannot conduct production, if we have only man and no material. In other words, we cannot cook a meal without food materials. There is also a limit to the role of material. Neither can we conduct production without man. In other words, while it is true that we cannot cook a meal without food materials, there will also be no meal if we have no one to cook whatever materials we may have. Therefore, we should combine the two factors. Materials should be put in the hands of man and man can change the environment if he controls the material conditions. On the one hand, the role of a specific policy is limited. What should we rely on in seeking social progress, changing the poor features in our country and improving people's livelihood? We should rely on our productive force. Productive force is a combination of a number of different factors, the first of which is producers. The progress in the development of science and technology is a precondition for the development of productive force and the former can be transformed into the latter. Therefore, we should rely on science and technology in addition to our policies. For a time, we summed up our historical experiences from our past activities and held that in the past we placed emphasis only on changing the relations of production in our rural areas, but failed to pay attention to the development of our productive forces. This has brought harm to our undertakings and we must avoid it in the future. This idea is to some extent justified, but it fails to take everything into account. In the past, under the guidance of the erroneous slogan of opposing the "theory of productive force," we conducted a "continuous revolution" related to our means of production and thus gave rise to many problems. These problems were the outcome of the implementation of erroneous policies. They did not show that there was no need at all to make some necessary readjustment in our relations of production by means of correct policies or that we need not rely on policies in developing our agriculture. Our mistakes were caused by our relying on erroneous policies. In order to correct erroneous policies, we should rely on our correct policies. We cannot say that from now on we need not rely on our policies and rely only on grasping the productive force. If we do not grasp our productive force, we will not be able to consolidate and develop our socialist system. If we want to grasp our productive force, we must grasp science and we have to rely on people to grasp science. Both in grasping productive force and in grasping science, we must pay attention to heightening the initiative of our laborers, therefore, we cannot dispense with policies. Moreover, in developing science and technology, we also have a clear and definite orientation, for which we also need the guidance of correct policies.

Agriculture was the earliest undertaking of the human race. It was first aimed at solving the problem related to the supply of food. At the beginning of the agricultural undertaking of the human race, people merely collected some things, and caught a few animals and fish. Through a long period of development, the human race learned how to grow plants and breed animals. In the ancient tombs in our country, we have dug out grain seeds which were stored several thousands of years ago. This showed us that the undertaking of cultivation has had a long history. As the growth of plants and animals is a living process, in the past, it was very difficult for science to study it. This was why agriculture stayed for a long time at the level of relying purely on experience, and lacked a theoretical and scientific foundation. Industries began to develop relatively late. However, they were a lifeless process of production. As soon as physics, chemistry, and mechanics developed, they were transformed into modern industries and underwent technological advance by leaps and bounds. As a result, compared with industry, agriculture always lagged behind. Lenin said that technological achievements "should first be used to transform the production sector that has a bearing on the whole people, in which the largest number of people take part, and which is the most backward--the production sector of agriculture." ("Collected Works of Lenin," Vol 28, p 324) Our task is to utilize the progress in technology to switch our agriculture from a traditional production sector relying merely on experience into a production sector established on a foundation of modern science and technology. This means that we should carry out a technological reform in our agriculture. In our country, this task was put forth long ago. We have made quite a few achievements in this field. However, up till now, we have not yet brought about a radical change in the features of our traditional agriculture. Through more than 30 years of effort, particularly through the efforts made in the past few years, we have speeded up the progress of the transition from a traditional agriculture to a modern agriculture in our country. This is mainly shown in the fact that science has already become a direct demand of our peasants. Our peasants urgently want to improve their methods and push them up to a scientific level. Engels said that once there was a demand for technology in a society, this demand would more vigorously promote the development of science than the establishment of a large number of universities. The reality in the past few years has already proved that once science is mastered by the masses of people, it will bring about unprecedentedly great progress in social production. The epoch of the technological progress of agriculture has already arrived and we should consider the question of how we are to satisfactorily and effectively conduct this progress. If we do not consider this question, we will lag behind the times, the masses of people, and reality.

Now there are people both at home and abroad who think that the most difficult task for China is to develop its agriculture. Some people think that China has so little land and so large a population, and it is faced with such a relative shortage of resources, in particular, that it has no way out unless a miracle emerges in solving the problem related to birth control. However, they think that it is even more difficult to conduct birth control than to develop agriculture. Therefore, their conclusions are pessimistic. We think that their views are wrong. They do not know that the strength of

policies and science and technology is without limit. True, we have a limited amount of land, but there are boundless prospects for raising the productivity of our land. The human race does not simply live on what nature grants us. Since ancient times, it strove to utilize the forces of nature to improve its living conditions and has not lived merely on what nature provided it with. The ability of the human race to utilize the forces of nature grows as science and technology develop. The more developed science and technology, the greater the ability of the human race in utilizing the forces of nature. People all say that we have many difficulties now. Are our difficulties greater than those our forefathers had in the past? At the beginning, the human race did not know whether it had enough food from one day to the next. At that time, there were few people and very rich resources and there was no land problem at all. The reason for the shortage of food was that at that time the human race knew nothing about science and technology and was under the absolute rule of nature. However, the human race has now mastered science and technology and is able to make better use of the forces of nature. What are the prospects for the future? As long as we adhere to and continuously improve the socialist system and have correct policies, our science will continue to develop day by day, our productive force will continue to grow, our livelihood will surely be better than now and we will certainly solve the problem related to our food supply better than we do at present. Take some areas in China for example--the most densely populated areas are not necessarily the most difficult. China's southeast coastal area has the greatest density of population, and the greatest shortage of land, but the living standard there is the best. Therefore, there is no ground for pessimism. We must believe that we can certainly revitalize our agriculture by relying on our policies and science.

In promoting the technological renewal of our agriculture by relying on science, we should study and solve quite a few problems, not all of which can be listed. What problems must we pay attention to in view of the guiding thoughts?

1. Science and technology must promote the development of intensive farming and management. Ours is a country with a large population, little farm land, and a shortage of energy and with a very high demand for agricultural products. In developing agricultural production, we should choose the path of intensive farming and management and should not choose the path of extensive farming and predatory management. In taking the former path, we must attach importance to science, rely on it, and make it serve the demands of production. The reason why we have taken the latter path is because under the pressure of the difficulties of supplying food for our large population, we have become anxious to solve the problem and have been forced to carry out extensive farming and extend the area of our farm land. However, there is not much reclaimable land left in our country, the total area of which, including the large stretches of reclaimable land in Xinjiang and the northeast and excluding the small stretches of reclaimable land inside the Shanhaiguan Pass, is only 200 million mu; therefore, we cannot much increase our farm land. In order to carry out extensive farming, we have reclaimed land on our mountains and grass land or in lake areas. As a

result, we have destroyed large stretches of forests, reduced our vegetation and worsened the soil erosion to an intolerable extent. If we allow this trend to continue to develop, it will surely continue to undermine the ecological balance of nature and destroy the foundation of our subsistence. We should not pay attention just to the needs of today and neglect the needs of tomorrow, thus leaving disaster to our posterity. We must no longer carry out the predatory farming that undermines our ecological balance. We must no longer allow people to reclaim land from high mountain slopes, lake areas, or grassland. We must regard the principle of doing things in the light of the local reality as a national policy and strictly observe this principle. During the past few years, we have carried out the work of dividing up agricultural zones and investigating our agricultural natural resources. This has provided a scientific basis for arranging production in the light of local realities in our country. We should continue to carry out this work. We should develop forestry where the conditions are suited to it; we should develop animal husbandry where the conditions are suited to its development; and we should develop fishery where the conditions are suited to the development of fishery. This principle means that we should correct the previous malpractice of inappropriately extending the area of farm land. We should switch some farm land back into land to be used for forestry, animal husbandry, and fishery and thus relatively reduce the area of farm land. How should we solve the problem of food supply? The only path left for us to choose is to carry out intensive farming and management on our limited area of farm land. Of our country's existing farm land, only one-third is really highly productive and two-thirds of it is medium and low productive land. In growing grain, industrial crops, trees, grass or anything else, we should pay attention to increasing the per mu output, increasing input and carrying out scientific farming. Now we have carried out rural economic structural reform and given play to the initiative of our peasants. How should we guide our peasants in giving play to their initiative? We should guide them in carrying out intensive management and raising their economic results. If we fail to guide them, it is possible that they will follow the old path. For they need little or no investment but only some labor to carry out traditional agriculture and develop production by extension. Things are not so simple in carrying out intensive management, developing production by intension, or carrying out intensive and scientific farming. In order to do this, our peasants should not only learn some science and technology, but should also invest a certain amount of funds. Therefore, we must not only encourage intensive management, but also conscientiously create conditions for its realization; otherwise, we will only be able to follow the beaten path.

2. We should improve our traditional experience in carrying out intensive farming and make it scientific and modern. China is a country where agriculture began its earliest development. Even now, there is still a strong vitality in our traditional agriculture. Intensive farming is the cream of our traditional farming. It includes the selection of fine species, crop rotation, intercropping, changing crops, preserving the moisture of the soil on dry land, plant protection, field management, the construction of water conservation facilities, the development of diversified undertakings and comprehensive utilization. This set of traditional experiences regards

biological measures as the core, reduces the imput of energy, and gives full play to the role of the cycle of energy in nature. A major strong point of these experiences is that they facilitate protection of the ecological environment. However, the experiences of our traditional agriculture have their limitation in many aspects and their results depend on favorable conditions. Only by providing them with a foundation of modern science can we turn these experiences into something useful for our modern intensive management. For example, the application of organic and green manure can solve the problem related to the shortage of phosphate and potash fertilizer and improve the structure of soil. It can also avoid the evils of the petroleum agriculture of the United States. The petroleum agriculture of the pattern of the United States yields less output with much imput from the point of view of energy and is unfavorable to ecological environment. If we can develop through exploration a method to combine the application of chemical fertilizer and organic manure and to scientifically process organic manure, we will make an extremely great contribution to the whole world. Another example is that we have a large variety of species of plants and animals in China, which constitute a rich resource of species. In modern wording, this is a rich resource gene. The development of fine species of plants can raise the efficiency of photosynthesis, resist pest and disease, enable plants to adapt themselves to adverse surroundings and raise the efficiency of energy transition. This will be a very profitable input of intelligence and labor. The data of our investigation show that China has rich resources of cultivated and wild species and it has one-eighth of the total number of species of the whole world. Our country grows many kinds of plants and animals in its agriculture. Its shortcoming is that it has not formed a system of scientific processing. Now we must strengthen our scientific research, utilize these resources of species, develop a series of new crop and animal species and guarantee the continuous renewal of species. We should refrain from hybridizing some of our major species with foreign species and must preserve some pure species. The above-mentioned two measures--the application of organic manure and the improvement of species--will facilitate intensive management when these two are scientifically improved. Thus we will raise the utilization rate and productivity of our land. We have a rich resource of labor. Some new technology requires both intensive input of knowledge and labor, therefore, it cannot be used by many technologically advanced countries because of their shortage of labor. We can use it because of our rich labor resources.

3. We should follow the path of combining biological technology with engineering technology. An appropriate input of industrial materials is indispensable. For a time, people concluded that the modernization of agriculture is nothing but mechanization, the utilization of chemicals, and the development of water conservation facilities. This idea attaches importance to the input of industrial materials into agriculture, but neglects the application of scientific knowledge, such as biology and ecology and the application of the interacting strength inside nature. At another time, quite a few comrades stressed ecological and organic agriculture and overlooked the input of fertilizer, the construction of water conservation facilities, and the use of machinery. Both ideas have their rational factors, but both of them are one-sided, therefore, we should take both

into consideration and should not accept only one of them. Our agriculture is not an entirely closed system and in the process of its transformation of materials and energy, there will be some losses which we should make up. In ancient times, people ate (grain) from the land and then returned (manure) to the land. In this manner they returned what they took from the land. Now, a large part of the population has moved to the cities and every year a large amount of grain, timber and other agricultural products have to be transported to the cities from rural areas. This portion of material will not return or will not entirely return to the rural areas. Moreover, several hundred million tons of straw is burnt and this part of material will not be returned to the land. When animals have eaten grass, the energy they consume will not return to the land. Therefore, from the viewpoint of the cycle of energy, every year, our agriculture has to undergo an output of energy and thus suffers a deficit of energy. Since agriculture is a process of the transformation of materials and energy, the things it loses must be made up. If you want to increase output, you have to put in a greater amount than has been lost. In the past, the traditional agriculture used organic manure and the per mu output was generally less than 200 jin. Generally speaking, modern agriculture has a per mu output seven or eight times greater than that of ancient agriculture. According to the estimates of some personages of the scientific circles, in the countries like the United States, 50 percent of the increase in grain output depends on the application of fertilizer and this is a practice of exchanging inorganic matter for organic matter. Therefore, fertilizer, pesticide, water conservation facilities and machinery are all indispensable. We hope that in the future we can maintain our output of fertilizer at the level of 100 million tons and increase our irrigated area from about 700 million mu to about 850 million mu. Of course, in dry areas, we should make up our mind to develop cultivation without irrigation, which can also turn out great output. In some provinces in northwest China, some of the dry land yields a per mu output greater than 500 jin.

There has been a dispute over the question of whether there should be a mechanization of agriculture in China. Practice in recent years has provided an answer to this question. From 1978 to 1983, the total motive power of agricultural machinery rose by 40 million horsepower, the number of medium-sized and large tractors rose from 557,000 to 812,000 and that of small tractors rose even more sharply from 1.37 million to 2.26 million. Now in Anhui, Guangdong, Henan, Fujian, Guangxi, Qinghai and Ningxia, more than half of the tractors in use are purchased by peasants as individuals. In addition to these tractors, peasants have also bought automobiles, processing machinery, and water conservation power plants in large numbers. Machinery can not only replace manual and animal labor and increase labor productivity, but can also do what manual labor cannot achieve and thus increase production and output. For example, machines can spread plastic film 50 times quicker than manual labor and are well accepted by our peasants. A seed selection machine can reduce the consumption of seeds and ensure a high budding rate. There is also a kind of punching machine which can dig holes to improve cold waterlogged fields, thus increasing production. This cannot be easily done by manual labor. Therefore, the modernization of biological technology is not in conflict with mechanization, but

they supplement each other. Some machinery can also enable us to develop some new sectors of industry such as the development of the fodder industry which cannot be done without processing machinery.

How should we deal with the mechanization in the past? We should confirm its achievements and draw lessons from it. What lessons? There are three main aspects of the lessons: 1) The first results are to make an overall calculation of the benefits and losses of the mechanization. We only calculated the amount of labor force that was replaced by machines and thus got the figure of the increase in labor productivity. Now, we know that this method of calculation failed to take all factors into account. We should also take into account the question of whether there will be job opportunities for the redundant laborers, whether these laborers can make money elsewhere and whether the money they make elsewhere is enough to offset the increase in the cost of production caused by the application of machines. If the money they earn elsewhere is not enough to offset the increase in cost, we should look into the question of whether the machines can bring any other income to make up this deficit. If our calculation shows that it is not profitable to use the machines, we should not continue to use them. 2) Mechanization will not work in China if it is not coordinated with the development of diversified undertakings. For a time in the past, we made one-sided propaganda about returning our labor force to the cultivation of land and restricting various kinds of other undertakings. This resulted in a reduction in the income of our peasants and caused our peasants to borrow money for the purchases of machines. Without diversified undertakings, a large amount of labor was left idle, as a result, the labor productivity and economic results after the mechanization could not be increased to the level that it had to be increased to. Each of our laborers turns out only 2,000 jin of grain, while a laborer in other countries turns out tens or hundreds of thousands of jin of grain a year. In accordance with the reality in China, we must develop diversified undertakings while conducting mechanization and make the two coordinate with each other in their development and promote each other. Mechanization must serve the needs of the diversified undertakings. It should be a mechanization of our rural areas and should not be a mere mechanization of agriculture. Why do we say that it is also feasible to conduct mechanization in some densely populated areas such as to Zhu Jiang Delta and Zhang Jiang Delta? Because in these areas, diversified undertakings are developed, the peasants' income is high, and we can coordinate mechanization with the development of diversified undertakings. 3) We must admit that agricultural machinery is also a kind of commodity, which should be traded in the manner of commodity exchange, and in the purchase of which the users have the right of choice. In the past, mechanization was regarded as a task, and in fulfilling this task, neither the peasants nor the state kept any accounts. Undoubtedly, if the state's financial situation takes a turn for the better, it should provide some funds for the technological transformation of agriculture. However, farming machines should be regarded as commodities when being traded and a transaction of farming machines should not be made unless both the buyer and the seller think that it is profitable to do the transaction. We should do a good job of providing after-sales service including the work of providing spare

parts and maintenance. Any factory which provides fine quality of service and has obtained a good reputation will be allowed to occupy the market and our factories are allowed to compete with one another. Since it is a kind of commodity exchange, we should allow people to manage the use of machines in diverse forms. Both collectives and people as individuals are allowed to buy farming machines. Integrated farming machine service centers are allowed to be set up and even individual households are allowed to be specialized in providing farming machine service. The integrated farming machine service centers can be big or small collective enterprises or even small collective enterprises consisting of three to five persons each. We should give more support to the joint purchases of farm machines by collectives, thus showing that we encourage such purchases. All farm machine service centers, collective, individual or state-run, should be regarded as service enterprises in our technological service network, to which we are not allowed to give compulsory commands. By so doing, we will be able to overcome the malpractice of bureaucracy in managing these enterprises and to achieve better economic results.

4. Science and technology must meet the demands of the overall development of our entire rural area and serve these demands. The CPC Central Committee has put forth the principle of persisting in developing agriculture, forestry, animal husbandry, sideline undertakings and fishery in an all-round manner and carrying out integrated management of agriculture, industry, and commerce. This principle was put forth at the same time as the responsibility system was put forth. It has brought about a rapid change in the features of our rural areas. This proves that this principle is very important and correct. Our science and technology should not only pay attention to the production of food grain and serve the cultivation of crops, but should also pay attention to the research related to the development of forestry, animal husbandry, fishery, township and town enterprises, transportation and storage of goods. It should help our rural areas to develop some rising industrial sectors, the development of which will promote the cycling and comprehensive utilization of rural resources and agricultural and sideline products. Whether or not we will attain the goal set for the year 2000 is determined by the degree of the development of our diversified undertakings. We must give priority to ensuring grain production. However, even if we can produce 90 to 100 billion jin of grain, we will not be able to make our peasants rich. Only by developing the comprehensive utilization of our agricultural resources and promoting the all-round development of diversified undertakings can we have a bright future. First, agriculture, forestry, and animal husbandry are three undertakings that cannot be separated from one another and must be developed simultaneously. We will surely suffer, if we develop a unitary undertaking. However, in the future, we must not repeat such a mistake. Moreover, we should encourage the establishment of some industry in our rural areas. The original self-sufficient and semi-self-sufficient economy in our rural areas cannot meet the demand of our society, therefore, it must be transformed into large-scale commodity production in order to supply the society with its surplus products in exchange for other products that our rural areas need. The process of turning our products into commodities consists of processing, storing, transporting, marketing and other links. Our encouraging the

development of town and township enterprises is aimed at turning, through the above-mentioned links, the products that our rural areas cannot consume, into commodities. Through processing, we increase the value of our primary products and enable them to be sold in areas a great distance from the producers. For example, if we set up a dairy and breed a large number of cows, but have no milk processing factory, what should we do when too much milk is produced? If we satisfactorily set up a processing factory, we will be able to breed a large number of cows, and turn milk into a commodity which can be exchanged for other things.

Our ancestors had some experience in carrying out comprehensive utilization. We should encourage people to use science and technology to develop our traditional methods into new ones. Recently, a comrade in Nanjing Geography Research Institute has written an article on the cyclic utilization of the resources in the Tai Hu area. There are waters and farm land in the Tai Hu area where people breed pigs, silkworms, fish, chickens and ducks and grow grain, aquatic plants, and mulberry trees. This set of undertakings forms a system of cyclic utilization of a series of different resources. This is also the cream of the tradition of our motherland's agriculture, which deserves to be vigorously carried on. A county in Henan got some big flies from the Microbiology Research Institute of the Chinese Academy of Science. It uses pig dung to breed fly maggots, then uses fly maggots as food in raising chickens and then uses chicken droppings to feed pigs and thus reduce the consumption of grain. This is another kind of cycle. Some areas in Henan Province are now vigorously breeding big earthworms to make protein as food for chicken breeding. This is a third method. In many areas, peasants use straw to feed animals and then use animal dung to produce methane as energy, using the scraps as a manure. This is also a kind of cycle. The cycles will be further improved if modern processing industry is added to it. Zhangwudian brigade in Ji County, Henan Province has combined the ability of a large number of professionals including those specialized in agricultural economy, agricultural machinery, aquatic breeding and biology. They first grew wheat and cotton and then set up a processing system centered on cotton. First, they set up cotton ginning mills and then they apply soaking technology to produce oil. They use 100 jin of cotton seeds to produce 17.5 jin of oil, 4.5 jin more than that of other factories. The scraps of the cotton oil refinery were sold at 0.02 yuan a jin in the past, but now they use the scraps to grow mushrooms and thus fetch 400,000 yuan from the market. Furthermore, they set up a building material factory which uses cotton stalks to produce fiberboard. This multilayer and intensive processing employs several million laborers, promotes the development of animal husbandry, increases the income of our peasants and increases the output of grain and cotton. From this we can see that when cultivation and breeding undertakings are combined with processing industry, the economic results will further be increased. Our country has so many mountains, hills, and stretches of grassland, beach, waters and marine areas that if we make cyclical utilization of all of them and carry out all-round utilization and intensive processing, we will be able to raise the utilization rate and productivity of our land by 10 and even 100 times. In the future, we should encourage technological research in this field and grant awards to anyone who achieves any actual results.

5. We should meet new challenges. Some industrially advanced countries in the world are now making preparations for readjusting the structure of their economic sectors and technology. Their major aim is to be ready to meet the needs of microelectronic technology, the technology related to new materials, the technology of new energy and the technology of biological engineering for a rearrangement of the structure of their economic sectors. The new technology will play a great role in promoting industrial production and will have tremendous repercussions on agricultural production. We should not turn a blind eye or a deaf ear to it but should meet this challenge. Our new agronomy should apply the new technology and new achievements in all fields of science to agriculture, and thus raise our intensive farming to a new high. The research work related to genetic engineering is more directly related to agriculture, therefore we should make even more vigorous preparations and strive to catch up with other countries. In the history of our country, we had tremendously great achievements in conducting the four inventions in science and technology, but in modern times, when foreign countries were carrying out an industrial revolution, our Qing government adopted a closed-door policy at that time and thus lost the opportunity. After World War II, there was another rapid advance in science and technology in the world. Beginning from 1956, our country wanted to vigorously catch up, but later it relaxed its efforts and carried out a "Great Cultural Revolution" and thus again lost the opportunity. Now a new technological revolution is in the making in the current world, this time we must no longer lose the opportunity. However, we should not readily believe that we can bypass the application of other basic technology such as the technology related to fertilizers, machinery, water conservation, transport, cultivation, development of species and so on. Nor should we readily believe that we will soon realize the industrial production of agricultural products in factories, and thus be able to grow all plants without land and in nutrient liquid under roofs and under the control of computers. I am of the opinion that we cannot eliminate agriculture nor can plants be grown in large amounts without land. Large amounts of crops will continue to depend on nature and on photosynthesis for their growth. They must continue to rely on chlorophyll to transform sun energy, and on land. It is possible and necessary to carry out industrial production of vegetables in deserts, and other barren or extremely cold areas, but we have to rely on land in carrying out large-scale cultivation. The new technology will help us to make better use of the forces of nature, but it cannot replace it. In this sense, we can say that there is a unity between all our work today and the new technology. Where does this unity exist? It exists in the utilization of the forces of nature and in the application of the law-governing organisms. Our work today is to lay foundations for the future. Tomorrow's progress has to be developed on the basis of the progress today. However, we must try hard to catch up in a planned manner with the trend of technological progress and we, the latecomers, should strive by every means to surpass the old-timers. Let us take our research into new energy and regenerated energy for example. Energy is the basic condition for the modernization of our agriculture. Both our rural production and livelihood need a great amount of energy. Our conventional energy will not be enough in the future. According to some people's estimation, when we attain a comparatively well-off living standard all over our country by the end of the 20th century, we

will require 240 million metric tons of standard coal. If we can get 120 million metric tons, we will still be short of half the amount. In our rural areas, if each person burns 1 metric ton of coal, 100 million metric tons of coal will be burned and as a result, the pollution of our environment will be terrible too. The supply of our natural resources of petroleum is also limited, and we need not be worried about the possible evils of petroleum. We must develop in a more planned manner our research on the projects of solar energy, wind energy, marsh gas, electric heat energy, and geothermal energy and we, the latecomers, will also strive by every means to surpass the oldtimers. We must vigorously develop our fuel forests and small hydroelectric stations, that is a method which is most common, most rapid, most direct and most easy to popularize. The most important preparation required for conducting our technological revolution is the preparation to acquire talented people. We must satisfactorily run our schools and study classes. The CPC Central Committee's 1984 Document No 1 defines this year as a year of training. In our rural areas, we plan to train technical workers among basic-level cadres and specialized households and will also select some people who are above the educational level of senior middle school to go to our universities to receive specified training. In our practice of science and technology, we organize our broad masses of people to teach and study on their own, and find and train technical personnel among our peasants. In order to greet the new era, we must first do a good job of training talented people. If we have talented people, we can catch up in all other aspects. The delay that we are most afraid of is precisely the delay in training talented people.

6. Our science and technology must serve the stabilization of new relations of production and of all-round responsibility systems with remuneration linked to output. During the past few years, the key to conducting reform in our rural cooperative economic sector has been to implement the all-round responsibility system with remuneration linked to output. What is the aim of the all-round responsibility system with remuneration linked to output? It is precisely aimed at changing the original cooperative economic sector into a kind of double-layered structure. One layer is centralized management and the other is decentralized management. The centralized management is combined with the decentralized management. All those tasks which can be done by a family or a household will be done by it. All those things which cannot be done by a family or a household and require a joint management will be done by the collective. How are families linked together into a collective? It is through the ties of all-round responsibility systems with remuneration linked to output. Because our agriculture is scattered over a vast territory, our production procedure is not steady, and our agricultural technological policies must be adapted to the changing conditions in the manner of adopting measures suitable to local conditions and to the times. We should rely on the initiative and aspiration of our agricultural policy makers and laborers. This kind of aspiration cannot be fostered by relying on our administrative means, it should be fostered by relying on a kind of relations of production. In this kind of relations of production, the responsibility, power, and interests are unified and by so doing, it enables people to dare to encounter any economic risk for the sake of their economic interests, to select the way to deal with the situation

and to be engaged in labor with the sense of responsibility of being masters. Now, we contract all-round responsibility for all public land to our peasant households. The practice that "they hand over enough grain to the state, set aside sufficient grain for the collective, and the rest is their own," has greatly brought into play the initiative and sense of responsibility of our peasants. As a result, we break at one stroke the long-standing stagnated situation in our rural areas. The 1984 Document No 1 of the CPC Central Committee has decided to fix the period of all-round responsibility for land for more than 15 years. This is precisely aimed at encouraging our peasants to invest in their land, to level their land, and to build water conservancy projects.

Why should we stress that our science and technology must help us stabilize and perfect this relation of production? There is still the problem of the small scale in our family management. Now, each family tills 7 to 8 mu of farm land, but in the future because some people will leave their land and be engaged in diversified undertakings, land will be concentrated in the hands of specialized peasant households. As a result, the land of each household may be increased to 20-30 mu. Will this scale be appropriate for the realization of the modernization of our agriculture? According to foreign experiences, the realization of agricultural modernization depends on the following two conditions: One is the progress in science and technology and the other is the socialization of production. In the 19th century, the progress in agriculture mainly relied on mechanization and after the 1930's, in addition to relying on mechanization, it also relied on chemical and biological engineering and scientific management and farming. Although the amount of cultivated land was small, it was still possible to achieve high output. As long as our family farms combine modern science and technology and as long as they carry out scientific and intensive farming and thus follow the path of being small but specialized, they will certainly be able to achieve agricultural modernization. The greater the progress in our science and technology, the greater the possibility of realizing agricultural modernization. The consolidation of a new relation of production depends on the development of new productive force.

In short, it is not only an extremely difficult and complicated task but also extremely important for us to carry out the agricultural technological reform in such a big country as China. The key problems such as those related to the pattern, the way, the goal and speed and the key aspects in various areas of China's agricultural technological reform still remain to be solved by means of further deepening our study and exploration. I hope that on this issue, more comrades will put forth their more valuable research achievements and major proposals in order to facilitate a better and more rapid fulfillment of the task of our country's agricultural technological reform.

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THOROUGHLY NEGATE 'GIVING PROMINENCE TO POLITICS,' DO A GOOD JOB OF REFORMING POLITICAL WORK

Beijing RED FLAG in Chinese No 14, 16 Jul 84 pp 23-26

[Article by Jiang Siyi [1203 1835 3015]]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, we have set to right things which have been thrown into disorder, done away with the old and set up the new, and promoted what is beneficial and abolished what is harmful. Like the other fronts, on which a series of reforms are being carried out, the PLA has also been carrying out reform step by step under leadership. Political work must play the role of promoting and ensuring the reform, and must also reform itself simultaneously. Only when the reform of itself is successfully completed can a new situation be created in political work, the role of political work as the life-line of our army be brought into full play, and the reforms in various fields be promoted.

"Smash the old practice of Lin Biao and the 'gang of four,' and adhere to Comrade Mao Zedong's theory and traditional style in political work and develop them under new conditions." ("Selected Works of Deng Xiaoping," p 118) This is the orientation for the reform of political work in the army. Reform means destroying the old and establishing the new. The ultra-"leftist" ideas of Lin Biao and the "gang of four," especially the so-called "giving prominence to politics," have deep influence both inside and outside the army. They have not yet been completely eliminated. At present, some cadres are still confused. They hold that "giving prominence to politics" is but another way of saying "political work is the lifeline of our army," or that it is not wrong to "give prominence" to politics if the content of "politics" is not wrong. Some comrades have always believed that political work is special work concerning "revolutionization" and has nothing to do with the central tasks of economic construction, military training, and making preparations for war. They do not emphasize that one's political consciousness must be reflected in one's professional skill. Some other comrades have always taken delight in emphasizing the "leading role" of political work rather than its "role as a guarantee." All this shows that the slogan of "giving prominence to politics" is still a main obstacle in creating a new situation in political work.

At the end of 1964, Lin Biao began to advocate "giving prominence to politics." During the "Great Cultural Revolution," he further raised the problem to a higher plane of military line and "the law governing the development of socialist society," holding that there had been a struggle between two lines within the army, "one is giving prominence to military affairs and the other is giving prominence to politics." He made "giving prominence to politics" the only content and symbol of the so-called Mao Zedong line for army building, which he had created, and popularized this fallacy throughout the country. He also carried out ruthless struggles against those who opposed this slogan during the "Great Cultural Revolution." Thus, "giving prominence to politics" became a mainstay of the ultra-"leftist" ideology in the "Great Cultural Revolution." Therefore, to thoroughly negate this slogan is an important aspect of thoroughly negating the "Great Cultural Revolution."

What does Lin Biao's "giving prominence to politics" mean? First, it means giving prominence to the politics characterized by "taking class struggle as the key link" and "continuing the revolution under the dictatorship of the proletariat." Lin Biao attempted to substitute this for the politics of the proletariat so as to oppose party leadership over the army, change the proletarian nature of the army, and realize his counterrevolutionary scheme of usurping supreme party leadership and state power. Second, it means a complete violation of materialist dialectics. Evidently, Lin Biao held that it was not enough to merely regard political work as the "life-blood" of the army. It should be "given prominence and further prominence to" so that it can "slash out" at everything and so that all other work can "give way" to political work. Thus, politics was actually regarded as something incompatible with the economy, military affairs, and other professional work, and the relations between them were those of "lashing out" and "being lashed," and "prevailing over" and "being prevailed upon." Lin Biao also put forward an absurd theory, saying that "if one is ideologically good, one will naturally know how to fight." As a result, military affairs were replaced by politics, and work in other fields was replaced by political work. To "give prominence to politics" in this way was a clumsy exercise of metaphysics, resulting in confusing the people's ideas about the relations between politics and military affairs, between politics and vocational work, between Red and expert, and between political work and work in the other fields. It brought about serious harm to our army building in various aspects as well as to political work itself.

True, politics has a great impact on the economy. This should in no case be neglected. However, just as Engels pointed out, it can only play the role of either promoting and accelerating, or obstructing and retarding the development of economy. Under no circumstance, can politics "decide" but can only be decided by, the law of economic activity. Only when politics correctly reflects the law of economic activity can it play the role of promoting economic development. On the contrary, if it runs counter to economic law and obstructs the development of the economy, "it would collapse under the pressure of economic development." ("Selected Works of Marx and Engels," Vol 3, p 222) It is also true that Lenin once said: "Politics must take precedence over economics." ("Selected Works of

Lenin," Vol 4, p 441) However, what is the concrete meaning of this thesis? What was the situation under which this thesis was put forward? In 1920, when Lenin debated with Trotsky on the approach to trade unions, Bukharin, who took an eclectic attitude, tried to obliterate the demarcation between right and wrong, saying that Trotsky had emphasized the economic side of the problem and Lenin had emphasized the political side. So, Lenin pointed out that "politics must take precedence over economics." He continued: "What the political approach means, in other words, is that the wrong attitude to trade unions will ruin the Soviet power and topple the dictatorship of the proletariat." He also said: "Without a correct political approach to the matter, a given class will be unable to stay on top, and consequently, will be incapable of solving its production problem either." (Ibid., pp 441, 442) Obviously, what Lenin said about "politics taking precedence" was aimed at expounding the special problem of whether the proletariat was able to maintain its political rule and the proposition that without the dictatorship of the proletariat, there would be no socialist economy. If we discard this concrete meaning and special significance, separate it from the whole of Lenin's thinking and viewpoints, and only emphasize "taking precedence" and interpret it as politics must take precedence under all circumstances and must always be in a decisive and dominant position, we will distort Lenin's original meaning. As a matter of fact, Lenin had already made this idea very clear in his works. Departing from this specific circumstance, under other circumstances, for example, on the question of the importance and urgency of various tasks, or on the question of which should be done with more effort, politics cannot always be put in the first place. Even in the article in which he said "politics must take precedence," Lenin also said: "I have always said, and will continue to say, that we need more economics and less politics." (Ibid., p 444)

The relationship between politics and military affairs is different from that between politics and economics. It is not a relationship between the economic basis and the superstructure, but an internal relationship within the realm of the superstructure. War is the continuation of politics. All wars have been launched for certain political or economic purposes. In this respect, military affairs are subordinate to politics and serve the latter. However, war has its own characteristics, in other words, war is not equal to general politics. "War is undoubtedly the continuation of politics through other means." (Clausewitz) "War is politics with bloodshed," (Mao Zedong) or politics taking the form of armed struggle. In a war, the main form of political struggle is armed struggle. Everything must be subordinate to war and must serve victory in the war. This relationship of dialectical unity between politics and military affairs decides the relationship of dialectical unity between political work and military work. Like all dialectical entities, political and military affairs are interrelated, interdependent, mutually permeable, and mutually transformable. Military affairs are subordinate to politics; and politics too, must attain its aims through the development and success of military affairs. The emphasis of army work must be laid on preparing for war and winning victories in war. To attain the revolutionary and political aim, army cadres must have a good grasp of war, which is a form of struggle, and do a good

job in building the army, which is an organizational form in war. This is our own profession. Our political work must become a forceful guarantee for our troops to have a good fighting will, and acquire superb military skills and military measures, so that the tasks of war can be successfully accomplished. This is a distinctive characteristic and basic task of the army's political work. If political work is divorced from military affairs, if it is not closely combined with military work and logistical work, it will also be divorced from the tasks and reality of the army.

Political work is the lifeline. This is not equal to "putting politics in command." The role of the former is displayed by its role as a guarantee. But the latter, which puts politics always in first place and a dominant position, cannot correctly reflect the relations between politics and economics and between political work and other work. Therefore, it is unscientific and inaccurate. The slogan of "putting politics in command" was put forward in the years of the "Great Leap Forward." Later, with the development of the "leftist" guiding ideology, it became a synonym for a mass political movement and "taking class struggle as the key link." This slogan played a very bad role in our past practice. Refraining from using it any further will help to eliminate the remnants of "leftism" and to totally negate "giving prominence to politics."

Then, what is the correct understanding of the position and role of political work? First, political work is the lifeline and a "highly significant and distinctive feature" of our army. ("Selected Works of Mao Zedong," Vol 2, p 350) But this is not Lin Biao's "giving prominence to politics," which is "higher than everything," "overwhelms everything," and "lashes out at everything." Second, political work is a guarantee for adhering to party leadership, implementing the party's line, policies, and principles, and fulfilling various tasks, but it cannot be regarded as equal to party leadership, nor can it replace the latter. The relationship between the army's political work and its military and logistical work is a parallel and cooperative relationship, rather than a relationship between the leading work and the led. Political work ensures and implements party leadership over the army. Therefore, it must not be put in a position of "commanding" and "leading" other work. Third, political work must ensure unity between Red and expert, must be carried out in conjunction with various professional tasks, and must be implemented in these tasks. It cannot be divorced from, obstruct, or lash out at professional work. We should not indulge in empty politics. Fourth, the emphasis of the work of the whole party is laid on economic construction. The army must make great efforts to achieve modernization and regularization on the basis of revolutionization. Its routine work must be centered on education and training, and its political work be centered on and serve this emphasis and central task. Political work is an indispensable guarantee for doing a good job in all these aspects. It should never be depreciated, slackened, or weakened.

We are now at a historic turning point. It is more necessary for us to make our thinking more advanced and strengthen and reform our political work. It is necessary for us first to forcefully publicize the theory, line, principles, and policies for building socialism with Chinese

characteristics and take it as our fundamental task for our political work. We must help the cadres to emancipate themselves from the ties of "leftist" ideology and from all kinds of old, outdated, and erroneous concepts and conventions that do not accord with reform. We must help them to strengthen their political consciousness regarding carrying out the party's line, principles, and policies, so that the whole party and army can maintain a high degree of unity with the CPC Central Committee in ideological and political fields. The relevant documents issued by the central authorities since the 3d Plenary Session of the 11th CPC Central Committee have concentrated on expounding the party's Marxist line, principles, and policies. They are a new development of Mao Zedong Thought under new historic conditions, and a theoretical basis and ideological weapon for us in carrying out various reforms. At present, some comrades still lack a sufficient understanding of them. Some even question whether they are "socialist" in nature or "capitalist" in nature, or whether they are rightist tendencies. No doubt, the line, principles, and policies of the CPC Central Committee are entirely in conformity with Marxism. They not only reflect the firm attitude of the Central Committee toward Marxism, but also its great creativity. The principle for political work is to educate the people and the army in Marxism-Leninism-Mao Zedong Thought. However, "Marxist ideological and theoretical work must not be divorced from political reality." We must "not let Marxism remain undeveloped at the level of certain theses put forward several decades or even more than 100 years ago." ("Selected Works of Deng Xiaoping," p 165) We must educate the people and the army mainly with the help of the theory of building socialism with Chinese characteristics, the line, principles, and policies mapped out since the 3d Plenary Session of the 11th CPC Central Committee, the ideology of reform, and the documents of the CPC Central Committee, the "Selected Works of Deng Xiaoping," and other "new classical works." These must be taken as the most urgent theories and teaching materials in our political education. We must not be satisfied with reviewing, restating, quoting, and explaining things that are already in the books, and be reluctant to part with old and outdated "leftist" concepts. It is wrong to push aside the new, correct, and developed new ideas without positive propaganda. Marxist-Leninist education must be combined with reality. It must be able to answer new questions, promote the four modernizations drive, promote reform, and promote the realization of the party's general task and general target put forward at the 12th CPC National Congress.

Political work must be closely integrated with the reality of the four modernizations drive and be centered on economic construction and on the building of a modern, regular, revolutionary army. Comrade Deng Xiaoping recently pointed out: The most fundamental task in the socialist stage is to develop the productive forces. This means that promoting economic work is the major content of politics in the future. Without this major content, politics will turn into empty politics, and will be divorced from the highest interests of the party and the people. Political work and other work, such as economic work, military work, and various types of professional work and tasks must not be treated as "two different things." Political work must be centered on and serve the party's central task and various concrete tasks, and must play the role of a guarantee in various

fields. In the period when the Russian revolutionary war was being turned to construction, Lenin pointed out: Our main politics at present should be carrying out the economic construction of the state. He required that "the agitation and propaganda work should be arranged on this basis" so that it could undertake the task of "reeducating the people." ("Selected Works of Lenin," Vol 4, p 371) Lenin also said that "the best politics for the future is to talk less about politics." (Ibid., p 397) Obviously, the "politics" that people should talk less about refers to empty politics which is divorced from the main task of economic construction. In political work, we must pay attention to important matters, take the whole situation into account, and integrate army building with the construction of our country. We must not divorce it from the four modernizations drive or the main task of economic construction, instead, we must make our greatest efforts to make it play the role of ensuring and promoting the development of the modernization drive and economic construction. This requires that we do a better job in unifying Red and expert. Just as Comrade Deng Xiaoping pointed out: "For a rather long period in the past, we often learned from the army their experiences of the war period. As a matter of fact, when we study these experiences more carefully, we can find that they also concern the unity of Red and expert." ("Selected Works of Deng Xiaoping," p 228)

In the current political work reform, there is another question that merits our attention and study, that is, the question of how to deal with the relations between the revolutionary spirit and material benefits. We must energetically encourage the spirit of revolution, especially the following five kinds of revolutionary spirit put forth by Comrade Deng Xiaoping: the spirit of revolution and defying death, the spirit of observing discipline and self-sacrifice, the spirit of being selfless and putting other people's interest ahead of one's own, the spirit of crushing all enemies and all difficulties, and the spirit of revolutionary optimism and getting rid of all difficulties to win victory. In sum, they are the expressions of the spirit of communism. At the same time, we also encourage people to show concern for others' material benefits. By developing the revolutionary spirit and showing concern for the material benefits of the masses, we will surely be able to effectively mobilize the initiative of the masses in building and safeguarding the four modernizations. This should become an important principle for political work in the new period. It has always been a good tradition of our army's political work to show concern for the life of the masses and to combine the work of raising political consciousness with that of solving real problems. The great power of our party's political work is not based on empty words that are divorced from the reality, but on its close relations with the people's real life and their interests, and on its ability to guide the people with a Marxist world outlook to take a correct approach toward their interests and personal problems and to unite and fight for their immediate and long-term interests. Comrade Deng Xiaoping said: "Without revolutionary spirit, there would have been no revolutionary action. However, revolution emerges from the basis of material benefits. If we only stress the spirit of sacrifice to the neglect of material benefits, we will be idealists." ("Selected Works of Deng Xiaoping," p 136) Due to the long-term "leftist" influence, our

political work did not guide people to recognize their own interests and fight for them. This must be corrected. Our political work must help people to understand that the four modernizations drive and reform are beneficial to the country, the army, and themselves, and guide them to correctly handle the relations between the state, the collective, and the individual.

Whether great successes can be achieved in our political work reform depends on the use of talented people. It is necessary to boldly select and promote to the leading posts those cadres who dare to carry out reform and are capable of creating a new situation. It is necessary to speed up the training and renewal of political cadres, and make our cadre contingent more revolutionary, younger, better educated, and more professionally competent as soon as possible. In this connection, academies and schools are shouldering heavier tasks. It is necessary to further implement the policies toward intellectuals and promote outstanding young intellectuals to the leading posts at various levels. Political workers in all trades and professions must work hard to grasp professional knowledge so that they can also become well-educated and professionally competent, just as the political cadres were in the war years, who knew fighting no less than military cadres. Only thus can political work really play the role of the "lifeline" in the dynamic reform campaign.

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THE FIVE PRINCIPLES OF PEACEFUL COEXISTENCE ARE CHINA'S BASIC GUIDELINES
FOR HANDLING RELATIONS WITH FOREIGN COUNTRIES

Beijing RED FLAG in Chinese No 14, 16 Jul 84 pp 27-30

[Article by Han Nianlong]

[Text] Three decades have passed since China, India and Burma initiated the five principles of peaceful coexistence during the late Premier Zhou Enlai's visit to India and Burma in the summer of 1954. Tested by the turbulent world situation, these principles have become increasingly popular with the people the world over and have been readily accepted by growing numbers of nations. As one of the initiators of the principles, China has written them into its constitution as its guidelines for handling relations with other countries, and safeguarding these principles in the world arena has become one of its basic state policies.

I

Sovereignty and territorial integrity symbolize a nation's independence. As prerequisites for every nation maintaining its independence, mutual respect for sovereignty and territorial integrity and mutual nonaggression and noninterference in each other's internal affairs are the essentials of the five principles of peaceful coexistence.

For well over a century, China had been subjected to aggression and oppression in the hands of other nations. To achieve the independence we enjoy today, the Chinese people fought a protracted, arduous struggle, and many revolutionaries shed their blood and laid down their lives, which explains why we treasure our hard-won independence so dearly and will never allow it to be jeopardized by anyone or any means.

Since the founding of the People's Republic, China has resolutely safeguarded its state sovereignty and maintained its national independence. For a long time, we have withstood great political, economic and military pressures imposed on us by the two superpowers and have waged an unyielding struggle against their violations of the five principles in their relations with China. Today, we are still making unremitting efforts to achieve reunification of our great motherland and safeguard our territorial integrity.

China cherishes its independence as dearly as it respects the independence of other countries. As General Secretary Hu Yaobang said, the Chinese people will never again allow themselves to be humiliated as they were before, nor will they subject other nations to such humiliation. China has not stationed a single soldier abroad, nor has it occupied a single inch of foreign land. It has never infringed upon the sovereignty of another country, or imposed an unequal relationship upon it. On the basis of the five principles, we have established diplomatic relations with 129 countries and solved historical problems with a number of neighbors and developed good-neighbor relations with them.

China respects the independence of other countries, and is opposed to efforts by any country to undermine another's independence. As always, we regard it as our international duty to support the exploited and oppressed nations in their just struggle for independence. The Chinese people, together with the people of the Democratic People's Republic of Korea, shed their blood in safeguarding their independence, and later did so again with the Vietnamese people in their fight for national salvation. Today, we stand firmly with the people of Kampuchea, Afghanistan, Palestine, Arab countries, southern Africa, Central America and the Caribbean in their struggle against foreign invasion and interference.

Regarding conflicts between the Third World countries caused by historical factors, China has all along hoped that these countries will head off interference by external forces and seek a reasonable solution through peaceful negotiations and in the spirit of mutual understanding and mutual accommodation.

For a long time, international relations were governed by the law of the jungle, bringing disaster to many nations and the people all over the world. To abolish the old international political order and pave the way for a new one, it is essential that the world community confirm and implement the principles of mutual respect for sovereignty and territorial integrity, of nonaggression and of noninterference in one another's internal affairs. At present, the threat to these principles comes mainly from the hegemonists. To safeguard world peace and the security of every nation, hegemonism should be resolutely opposed.

The Chinese people have learned from their historical experience that if they fail to fight head-on against mechanisms intended to dominate the world or a certain region, there will be no end of troubles caused by these widespread mechanisms. As the saying goes, to tolerate evil is to abet it. History has also brought home that a nonaligned policy with the big powers helps China to keep the initiative in its hands in independently combating hegemonism. This is because an alliance with big powers would hinder our effort to reject and oppose hegemonist transgressions and even reduce us to being a pawn in the big powers' designs against other nations.

II

Peaceful coexistence does not merely mean staying off one another's lawn, so to speak. Every country should not only respect each other's sovereignty and territorial integrity and refrain from invading each other or interfering in each other's internal affairs; they should also actively promote mutual exchanges in various fields and, in particular, work to foster steadily growing economic cooperation on the basis of equality and mutual benefit. In the meantime, mutual respect for sovereignty and territorial integrity, mutual nonaggression and noninterference in each other's internal affairs should serve as the political prerequisites for this economic cooperation.

As a developing country, China has shared the lot of other developing countries in the past; today, we have the same task of speeding up the construction of our respective countries. Since the birth of new China, we have never for a moment slackened our efforts to develop relations of friendship and mutual assistance with other developing countries on the basis of equality and mutual benefit. We have aided them to the best of our ability, with no strings attached, and without asking for prerogatives. We never see our aid as one-way handouts; instead we have always regarded this kind of assistance as reciprocal.

During his visit to Africa at the end of 1982 and the beginning of 1983, Premier Zhao Ziyang laid down four principles governing China's economic and technological cooperation with the other developing countries: "equality and mutual benefit, stress on practical results, diversity of forms and common progress." These principles are intended to make up for each other's deficiencies and increase both sides' ability of self-reliance in promoting economic progress. China stresses that equality and mutual benefit in economic and technological cooperation should be developed not only between China and the other developing countries but also among all the developing countries. It also holds that full account should be given to the varied interests and needs of the developing countries in developing South-South cooperation, so that all participants can best profit from such cooperation and the least developed nations can get preferential provisions to tackle their particular difficulties.

China is also perfectly willing to develop economic and technological cooperation with developed countries and hope to see such ties grow closer and stay long and stable. Each side has its own strong points and there is tremendous potential for this cooperation, as many developed countries possess plentiful capital and advanced technology, while China is rich in natural resources and has a great market. The key to such cooperation is for both sides to scrupulously observe the principle of equality and mutual benefit--all for the purpose of achieving common prosperity.

Over the last few years, China has adopted the economic policy of opening to the outside world, as well as a series of measures to facilitate the utilization of foreign funds, the import of advanced technology and the expansion of foreign trade. It has also set up a number of special

economic zones and has decided to apply some successful experiences of, and certain policies formulated for the economic zones to other 14 coastal port cities and Hainan Island. Economically, the door is open to all kinds of countries. In this way, we hope to speed up China's modernization drive and ensure enough profit-making opportunities for foreign investors and businessmen. For that matter, we will unfailingly adhere to the principle of equality and mutual benefit--the guideline for our open economic policy.

General Secretary Hu Yaobang said that China's policy of opening to the rest of the world, worked out as a major policy decision and strategic principle after careful deliberations, will remain unchanged for a long time to come. "If there should be any change at all," he said, "it will only be in the direction of greater maturity and perfection, to the greater benefit of reciprocal external economic cooperation in various ways, and not otherwise."

International economic cooperation based on equality and mutual benefit has been seriously impeded by the prevailing inequitable and irrational world economic order. If the old world political order is characterized by big nations bullying the small and strong nations invading the weak, then in the old international economic order it is the rich bleeding the poor. China firmly supports the developing countries' demand for the establishment of a new world economic order. It was precisely for that purpose that Deng Xiaoping went all the way to attend the Sixth Special Session of the UN General Assembly in 1974 and Premier Zhao Ziyang participated in the Cancun Conference in 1981. We maintain that the existing world economic order should be reformed in line with the principle of equality and mutual benefit. Such reform, once carried out, will help promote the economic growth of the developing nations and the rejuvenation of developed countries as well. It is therefore of great significance economically and politically. China will continue to do its bit for the establishment of a new world economic order predicated on equality and mutual benefit.

III

The five principles of peaceful coexistence are inseparably interrelated as an integral whole. Explaining these principles, Premier Zhou Enlai once said that peaceful coexistence could be achieved only when the first four principles--mutual respect for sovereignty and territorial integrity, nonaggression, noninterference in each other's internal affairs, equality and mutual benefit--are adhered to.

For all countries to live together in peace, it is necessary to adhere to these four principles. It is also necessary to oppose the arms race and reduce the chances of another world war. True, there are many "hot spots" in the world today, but the intensifying arms race between the two superpowers--their nuclear arms race in Europe in particular--are the most worrisome, because it poses the greatest challenge to world peace.

An unswerving opponent of the arms race, China champions the reduction of both nuclear and conventional weapons. It holds that the two superpowers,

which own over 95 percent of the world's nuclear weapons, should take the lead in reducing nuclear weapons on a large scale. At present, the most pressing task is to impel the United States and the Soviet Union to stop deploying new nuclear weapons in Europe and the rest of the world and to resume their negotiations on an agreement on a substantial reduction of nuclear arms. Once they have both stopped testing, producing and improving nuclear weapons and reached an agreement on a drastic cut in nuclear arms, an international conference with wide representation may be held for consultations on the reduction of nuclear arms by all nuclear states. By that time, China, as a nuclear state, will honor its due obligations in compliance with related international accords on nuclear arms reduction. China has announced that it is against nuclear monopoly, and will not take part in the discriminatory 1968 agreement on the nonproliferation of nuclear arms. But we do not stand for, still less do we practice, nuclear proliferation, and we will never help any other country develop nuclear weapons. It is our hope that nuclear arms reduction will move along a continuous, nonstop course until the final goal of overall prohibition and complete destruction of nuclear weapons is attained. It goes without saying that while opposing the threat of a nuclear war, we cannot slacken our vigilance against the real threat posed by conventional wars. We stand unreservedly for the idea that a nuclear arms reduction should go hand in hand with the reduction of conventional arms.

To facilitate peaceful coexistence between all nations, China hopes to see the two superpowers stop their arms race and take steps to ease their relations. "When two elephants fight, the grassland suffers." We should be fully aware of the serious consequences of the superpowers' rivalry. China will join other nations in making fresh efforts for the relaxation of the world tension, including the tension between the two superpowers.

IV

The present-day world is faced with two outstanding tasks--the safeguarding of peace and the encouragement of development. China shares the common wish of the world's people to boost economic development in a sustained and stable environment of peace. The developing countries, in particular, need to firmly safeguard their hard-won political independence while quickly developing their national economies in an effort to consolidate their political independence with economic independence. The advent and implementation of the five principles of peaceful coexistence reflect the common aspiration of the people of China and the rest of the world and are therefore suited to the development of the world situation. Herein lies the great vitality of these principles.

Since the day the five principles appeared on the stage of history, they have set themselves against the outmoded practice in the world relations characterized by the big, the strong and the rich lording it over the small, the weak and the poor. They have furnished the legal foundation for breaking with the old international order and setting up a new one. The past 30 years and more have proved that the five principles are applicable not only to countries under different social systems but also

to countries under the same social systems. When these principles are observed, even countries under different social systems can cooperate in a friendly manner with each other; when they are violated, conflicts may ensue between countries under the same social systems.

Today, the five principles have in fact become universally recognized basic principles governing international relations and the criteria for distinguishing right from wrong in the world community. All actions in conformity with these principles have been supported and praised, and actions in violation of them have been opposed and censured. All these fully testify to the principles' major significance and role.

China, which initiated and has followed the five principles, has scored marked achievements in handling its foreign affairs. After the 3d Plenary Session of the 11th CPC Central Committee in 1978, we have shifted the stress of our work to the four modernizations and gradually eradicated the influence of the "left" thinking on China's foreign policy. Upholding the five principles, China is working hard to safeguard world peace and fortify friendly cooperation with other countries. We are determined to continue our march forward along the triumphant road opened by the five principles and to make them shine even more brilliantly in China's foreign affairs and in the world arena.

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INFORMATION, CALCULATION, THE FREE FLOW OF INFORMATION IN SOCIETY, AND OTHER TOPICS

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[Article by Hong Jiawei [3163 0502 1218]]

[Text] 1. Information and Calculation

In Pushkin's poem for children, "The Fishwife and the Golden Fish," a greedy old woman demands of a magic golden fish "a wooden house," and demands to become a "rich man's wife" and an "empress," and even demands that the fish wait on her. If we met such a magic golden fish, what would we demand? Should we ask for a treasure trove, so that we can take out a constant stream of diamonds? But the more there were the less they would be worth. Should we ask for an energy generator, which could produce energy of matchless strength forever? But how would we transport this energy? This wouldn't be a very wise wish either. I think we should ask for an oracle which would answer correctly any question put to it. In this way we could find out where there was oil and all sorts of other deposits, how to prevent and cure all sorts of disease, solve any difficult mathematical problem, discover the basic laws of all the sciences, invent a series of completely new technologies, and bring about the speedy development of society.

Naturally, this is an illusion. But from it, we can see the importance of information. The aim of the natural and social sciences is to know and transform nature and society, and to grasp the methods to do so; for this, we need to obtain correct information.

What is information? Semantically, it means intelligence, news, and so on. Philosophically speaking, there is universal contact between things, such that a change in A will relate to a change in B, while a change in B may be seen to be a certain sign of a change in A; therefore, in its strict scientific definition, information is one form in which real objects establish a connection based on certain natural laws or human arrangements, it is an expressed added definiteness of an object or a removed indefiniteness. Then, the more information there is, the more particular and definite the thing expressed becomes. Language, news, telegraphic codes, numbers, charts, sounds, data, orders and so on are all tools and forms for the expression of information. The same piece of information may be expressed

in many different forms. Under different arrangements, the same thing may represent different pieces of information.

Information which correctly reflects the developmental laws of objective things becomes the truth. The systematic gathering of correct information for a specific aim becomes knowledge. The more knowledge we possess, the more broad and profound becomes our knowledge of nature and society, and the more consciously therefore we are able to transform nature and society. "Knowledge is strength." In other words, correct information represents a massive force in the transformation of nature and society.

Obtaining correct information is sometimes exceptionally difficult. First, one should have a massive amount of data. Original data is complex and disorderly, and it is necessary to use one's brain to process this data; the dross has to be discarded and the essence retained, the false discarded and the true retained, and a process of abstraction, assessment, and inference undergone before any relatively correct information can be obtained and used to guide action.

Recent neurobiological research has shown that the human brain is made up of more than 10 billion nerve cells, each of which is connected with many adjacent and other such cells; each cell is at any one time in a certain set state (for example, a state of low or high potential). Each nerve cell can, according to the state of the other connecting cells, change its state to another. These 10 billion nerve cells are thus in a constant state of flux. This, then, is the process of human thought, and the process of processing information. The development of human life, the economic life of society, and so on, may all be seen as a process of processing information.

Calculation is also a process by which information is processed. Human knowledge of calculation has a long history. In the Chinese language, the word "ji" [6060] means to measure or count. In Greek [as published], the word "calculus" comes from the word for small stone, so calculation means the use of small stones for counting. Only with the development of productive forces did there come addition, subtraction, multiplication, division, and quadratic equations; with the creation of the abacus came the development of the concepts and tools of calculation. Following World War II, due to the high level of technological advancement achieved, the electronic computer was created, and calculation went far beyond addition, subtraction, multiplication and division. Calculation should be understood as the processing of information. Looked at another way, any processing of information is a type of calculation.

Any processing of information or activity associated with it must have some vehicle; abacuses, calculators, and brains are all vehicles for information activities, while these activities carried out using the various different vehicles have a general character. Changes in the weather contain complex information activities, while we can study with the use of a computer. A computer processes information at high speed, and can make weather forecasts. It is precisely the common nature of the information activities of

the weather and the computer respectively which gives the computer significance. There is a certain generality also between the information activities which go on in the human brain and those in the objective world, which is the reason why humans are able to gain a knowledge of nature.

Before life began, there existed only simple information activities between the planets, and only with the evolution of microorganisms, plants, and animals, did these activities begin to increase in complexity. With the evolution of mankind, there was thought, and societies were formed. The movement of life, thought, and society are higher than other forms of movement, because they involve higher forms of information activity. Therefore, in a certain sense, we can say that the evolution of the planet constitutes a constant process of increasing information. By now, at least within the scope we are able to observe, the development of the planet has entered a new stage of social "informationization."

2. The "Informationization" of Society

After 2 or 3 million years, apes evolved into people. During the Stone Age and the Bronze Age, man used different materials to effectively extend his limbs. In the age of steam engines and electricity, man increased his own strength in terms of energy. With the discovery of the computer and the appearance of manmade satellites, man expanded his brainpower from the point of view of information. In an informationized society, the number of people involved in agricultural and industrial production gradually decreases, while the number of people involved in producing, distributing, and utilizing information constantly increases. In this way, mankind has extended itself in terms of materials, energy and information, which signifies the progression from childhood to adulthood.

In fact, this change is taking place rapidly in all the world's nations. This represents a universal law not controlled by mankind's will. The more advanced a society becomes, the more information it has to deal with, and the greater the function of information and knowledge becomes. With the rapid expansion of science, technology, and education, the handling of information and the computer industry will develop equally rapidly, with a consequent increase in computer programmers, systems analysts, teachers, engineers, scientists and technologists, doctors, office workers, and other personnel involved in the handling of information; the proportion of the information industry will grow, creating the "informationization" of society.

In modern society, knowledge and intellectual power will more and more become the key factor in the development of the forces of production and social advance. To a great extent, the new technology revolution represents the era's challenge to our knowledge and intellect. China's ability to catch up with the new technology revolution depends to a large extent on the raising of the level of science and culture among the whole people; in short, on education. Cadres should become more knowledgeable, while the knowledge of intellectuals should be constantly renewed. Computing knowledge should be grasped from an early age, starting with making it

universal among students and then popularizing it in the rest of society. We should make the utmost effort in the sphere of strengthening the people's intellectual powers. Able people are hard to come by, and many countries of the world are taking the selection and training of their most outstanding people as one of their most important strategic tasks.

Education represents a process of transplanting information and knowledge. If we sell a ton of steel, we have 1 ton less; when we use up a kilowatt hour of electricity we are 1 kilowatt hour less well off; but if we teach many students, we make ourselves better off. Unlike materials and energy, information does not follow the laws of conservation, but tends toward compound strengthening. In any subject, it takes only a good, hardworking teacher, and the provision of advanced instruments for the dissemination of information from society, to spread knowledge throughout the whole of society. We should encourage the wide use of all electronic teaching media such as audiovisual equipment and so on, increase the number of students, set up more new courses about computers, systems processing, and so on, and thereby bring about large-scale development in education. In the end, the most important point in self-reliance is the training of one's own personnel. From the point of view of development, this is the aspect on which our strategy of creating the new should be founded.

It is necessary here to say something about the increasing information in our society and the issue of the "information society." According to the Marxist viewpoint, the word "society" refers mainly to the social form created in the process of human historical development due to varying production relations, and is categorized according to its particular form of production; meanwhile the process of the "informationization" of society refers to the state of development of the social forces of production as signified in the handling of information. I have therefore not used the word "information society" so as to avoid confusing the basic differences between the socialist and capitalist societies.

3. The Increasing Factor of Engineering in Mathematics and the Socialization of Engineering

No type of labor can do without materials, energy or the handling of information. The information represents the general command; the more complex the labor, the higher the status of the information. In essence, information handling is a mathematical problem, and without the use of computers to automate this handling, mankind cannot be liberated from strenuous labor, and cannot therefore become its own master. The increasing factor of engineering in mathematics refers to the computerization of information handling.

The complex, all-embracing process of computing can be completed through a number of most basic logical operations; these are "and," "or," and "not." These three logical operations, moreover, may be carried out at high speed using electronic devices. In 1946, the first electron tube computer was produced; this computer was able to complete 5,000 basic arithmetical operations per second. The electron tube was quickly replaced with the

transistor, which was smaller, and lower energy consumption, was more stable, and quicker in response. The transistor was in turn quickly replaced by the integrated circuit, which led to the large-scale and super-large-scale integrated circuit. Today, a silicon chip the size of a pine nut can contain 2 million basic components, enough to record all the information contained in dozens of newspapers. Today's computers operate at a rate over several billion operations per second, and it is estimated that by the end of the 1980's this figure will rise to something over 10 billion operations per second. Ever since the creation of the electronic computer, every 5 to 8 years its operation speed and capacity have increased 10 times, its size has decreased by 90 percent, its stability has risen 10 times, and its cost has decreased by 90 percent. By the year 2000, it is estimated that there will be 3 billion micro-computers in the world. Never so far in the history of mankind has another type of technology developed at such a terrific speed.

At present, the automation of agricultural and industrial production centered on computers is the main means of raising the quantity and quality of products, increasing variety, reducing consumption of materials and energy, and cutting costs. According to statistics, before it began using computer controls, the gross industrial output of Japan increased by an annual 1 percent, while its energy consumption increased at an annual rate of 0.6 percent; in the process of introducing computer automation, with the increasing extent of automation, the gross output value rose by 1 percent, while gross energy consumption dropped by about 0.94 percent. In production, the more types of product there are, the greater the bulk of information to be handled, and only with the use of computers can the large-scale increase in product types become a possibility.

In reality, the management of any unit constitutes a process of information processing. The more complex a project or plan, the greater the information needing to be processed. In a massive project, if high-speed computers are not used, there is no way of organizing production. If only humans are used to organize, it is difficult to avoid neglect of certain aspects, and losses are bound to occur.

Computers provide the most speedy and accurate tools for examining information. Statistics show that if the tool for such examination is backward, engineers and technicians will spend about 30 percent of their time looking things up in various documents. If a nation has 600,000 scientific research personnel, that means that nearly 200,000 of them will spend the whole time looking things up, and it is the most difficult to find the most valuable data. The backward nature of our tools of examination has become an important question in urgent need of solution in the work of scientific research, and the use of computers to carry out the automation of information examination has become an urgent task. We must also realize that computers are also connected with satellite and fiber-optic communications, and there will thus be established a global communications network enabling people to tap any information source in the world from their homes, or to talk face to face with anyone in the world.

In a war, computers are essential for observing and countering enemy advances, seeking out enemy tank and ship convoys and bombing them, cracking secret codes, and guiding missiles (especially long-range guided missiles and cruise missiles), pilotless bomber aircraft, and other war machines.

With the support of computers, all the various branches of science will be able to experience development many times more rapid than at present. Due to the convenience and variety of forms in which information can be obtained, there will be an important change in school education. There will be a change in the function of books, newspapers, and paper. Illiteracy in the future will describe the inability to use computers.

With the development of computer science and the information industry, the use of computers in forming knowledge-handling systems, management systems, making decisions, policy-forming systems, inventions and so on will greatly enhance the productivity of people's thinking, and gradually liberate man from strenuous mental labor, enabling him to involve himself in more creative and significant scientific research and cultural activities.

In short, information is omnipresent, and computers are all-pervasive; this will in time produce a profound change in the production and life of human society, and indeed in mankind itself. Of course, it is not our opinion that computers are omnipotent. It was people who invented computers, and people who use them; computers must still obey the orders of humans, and their functions are dictated by computer programs written by humans. Moreover, computers by no means carry out product processing directly, but are merely attached to the tools themselves. A computer cannot possibly replace other mechanical products, and its design and manufacture is limited by the level of the machine manufacturing industry. In terms of their various functions (for instance memory and processing speed) computers can far out-class the human brain, but overall, for the foreseeable future, they will only be able to replace a part of a human's mental labor. The principal means by which humans perceive the objective world is still their own brains, not computers. Our work consists of learning to use them, fully exploiting their many functions, and creating new machines and accessories to meet the needs of the national economic construction and social development, making them serve China's socialist modernization program even better. At present, it is also necessary to stress the popularization of the use of new technologies centered on the computer. In particular, the widespread use of the microcomputer, which involves the issue of the socialization of engineering, represents the key step to improving the quality and variety of industrial products, increasing quantities and varieties, cutting costs, saving on energy and materials consumption, and producing great economic efficiency.

The reason for the ability of computers to do so many kinds of work lies in the fact that we have turned all the various real issues into mathematical problems, and produced computer program systems or software based on mathematical models. At present, the creation of software is still a long mathematical process which takes an extraordinary amount of brainpower; even small programs contain hundreds of orders, while large programs run to

hundreds of thousands and take hundreds of man-years to complete. We should lay stress on software, particularly the development of applied software. By now, some areas and units have bought advanced computers, but have not carefully organized research into their use, so that there is not enough computer time, and its utilization rate is low; some computers are working at less than 1 percent of their potential. This is really a huge loss. For this reason, we must stress computer usage, organize schedules for usage, properly grasp the use of new technologies centered on computers, and in particular, popularize the use of the microcomputer.

Some comrades worry that in a country with a population the size of China's, the widespread use of microcomputers will create an employment problem. The widespread use of computers and other new technologies will doubtless save a large amount of manpower in many areas, but in the same way it will open up many new job opportunities, allowing human labor to be conducted on a higher plane. The unemployment problem among workers in the capitalist world is created by the capitalist mode of production, and is by no means the result of scientific and technological progress. The industrial revolution of the 18th century raised labor productivity over 100-fold, but it did not create 99 percent unemployment; what it changed was the employment structure. If the widespread use of microcomputers brings about marked changes in China's employment structure, this will indicate precisely that we have made great strides in our economic and social development.

4. Management Becomes More Scientific and Science Becomes More Mathematical

From the government organs and state economic departments down to the production team, the school and the home, not one can do without management. "Management" means carrying out control over a system according to a certain goal, or in other words gathering information from all sides, processing it, and then issuing controlling orders which function in the system, thereby gaining a certain goal within a certain time. The efficacy of a management method is determined by the characteristics of the systems and the stipulations of the goal; it follows objective laws not affected by people's will. Making management more scientific means constantly exploring these laws so as to adopt the finest management methods.

In the four modernizations drive, we must pay attention to researching into management science for all the various systems. One good example is how to scientifically draw up a distribution and pricing policy in economic management. When discussing socialist principles, Marx stated the principle of distribution simply as "from each according to his ability, to each according to his work." The better the work, the more the reward, and the more the reward the better the work. This phenomenon follows a beneficial cycle, and results in steadily developing productive forces. Sometimes, no control at all is a particular form of control policy. In "Das Kapital," Marx correctly described the relationship between value and output in free market conditions. A rise in prices promotes an increase in the number of people producing the product concerned, and an increase in output; the increase in output brings about a fall in price, and a consequent drop in the number of people producing the product. This phenomenon leads to an eventual balance between production and consumption, causing prices to revolve around value.

Marx pointed out that only after it has introduced mathematics can a science really be said to have matured. The historic work "Das Kapital" is illuminated throughout with the light of mathematical thinking. The development of a science must involve a process of systematization, tightening up, and quantification, the result of which is that mathematics is introduced. And this is the first precondition for the use of computers.

The first thing to which mathematics must be introduced is natural science. But social science is also in need of mathematical method. Today's social and economic phenomena are much more complex than in the initial period of capitalist society over a century ago, and qualitative analysis is not enough. Quantitative analysis is also necessary, and there is a need for the widespread use of the methods of computer science, mathematical economics, systemology, control theory, and information theory. Social scientists should have some knowledge in the sphere of mathematical science, and should be able to use computers; those involved in the mathematical science, meanwhile, should be concerned about the development of social science, and take into consideration the national economic construction and the formulation of policies.

To sum up, we must make management more scientific, make science more mathematical, bring engineering into math, and socialize engineering. The result of this will be to make our society more information-based, and strengthen this base.

Though our country is economically backward, we have rich resources, particularly labor resources and the strategically important intellectual resources. In these spheres we are by no means backward. As long as we diligently tap our intellectual resources, we will have certain advantages. Even more important is that our party has reestablished the correct line, principles, and policies, and following the reform, the superiority of socialism will be brought fully into play; there is excellent proof of this in the countryside and the special economic zones. The future ahead of China is a glorious one. The Chinese people, who have in the past made important contributions to human culture, can definitely be counted again as one of the advanced peoples of the world!

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SOCIAL INVESTIGATION AND HISTORICAL STUDIES

Beijing RED FLAG in Chinese No 14, 16 Jul 84 pp 36-39

[Article by Qu Lindong [4234 2651 2639]]

[Text] History represents realities of the past, but today's realities will become history in the days to come. Social investigation is the study of present-day society while historical studies examine the society of the past. Both have society as the object of study. At the same time, social investigation starts with the problems of a present-day society but frequently touches on historical studies while historical studies start with historical materials (including documentary materials and archeological materials or historical relics) and often has to make social investigation. Generally speaking, in social investigation there are historical studies while historical studies cannot be devoid of social investigation. This relationship between social investigation and historical studies reflects the relationship between reality and history. If historical workers can continuously improve the conscious nature of this understanding and do a good job in joining together social investigation and historical studies, it will be an important road to the further development of Marxist history in our country.

Marx made a celebrated saying: "The dissection of the human body provides the key to the dissection of the monkey's body." He cited this as an illustration to explain "capitalist economy as providing the key to ancient economies." ("Selected Works of Marx and Engels," Vol 2, p 108) This theory has an immense significance, that is, if man wishes to truly understand history, it is necessary to first understand reality. Comrade Mao Zedong advocated the union of the study of present conditions with the study of history. The book "Collection of Mao Zedong's Rural Investigation Documents" is a publication touching on social investigation but its theories and methods on social investigation as well as its investigation results carry a guiding and enlightening role for our historical studies.

This being the case, what significance has social investigation on historical studies? I wish to outline below several points of my initial understanding.

First, social investigation can enrich man's understanding of history and intensify his comprehension of history. As mentioned above, historical studies examine society of the past, principally relying on historical materials to reveal the process and law governing historical development. However, by means of social investigation, historical workers obtain much lively and enlivening knowledge from day-to-day life. This frequently plays a big role in enriching the understanding of history and intensifying the comprehension of history. This kind of knowledge is not obtainable from books or from the libraries. In Comrade Mao Zedong's publication "Investigation on the Search for Offspring," there was a passage describing his investigation of the realities of the local peasants' practice of "selling their offsprings" (that is, selling their sons). He wrote: "All along I had been skeptical of reports of other people about the alleged practice of 'selling one's own wife and children'! For this reason, on this occasion I specially asked in detail peasants in search of offspring to find out if such things had actually happened. The results were: On one occasion, three persons had held an investigation meeting and it was found that in all three villages of theirs such things did actually happen."

("Collection of Mao Zedong's Rural Investigation Documents," p 150) Continuing, he described other scenes of many peasants "selling their sons," and reached the following conclusion: "Ancient social relations were relations of cannibals." ("Collection of Mao Zedong's Rural Investigation Documents," p 153) In China's historical books there are plentiful records of peasants "selling their own wives and sons." Comrade Mao Zedong made use of the facts he himself had personally investigated and gathered information to prove that these historical records had not been mere words to frighten people but were true and reliable happenings. This intensifies our understanding of the peasants' miseries in the history of our country. Comrade Mao Zedong divided the rural landlord class into two categories, namely, "public landlords" and "individual landlords." Public landlords include ancestral landlords, theological or religious landlords and political landlords whereas individual landlords include big landlords, medium landlords and small landlords. In his analysis of poor peasants, he divides them into four grades: The 1st grade is the semi-landed peasant; the 2d grade is the tenant peasant of tolerably good circumstances; the 3d grade is the poorer tenant peasant; and the 4th grade is the poorest tenant peasant. (See "Collection of Mao Zedong's Rural Investigation Documents," pp 106-133)

His analysis of the state of the landlord class and peasant class in the countryside prior to liberation may be said to have furnished us with the key to the understanding and comprehension of the composition of the landlord class and the peasant class in the China of recent ages and in the China of the middle ages. China has a 2,000 year history of feudal society. In the dissection of the big landlords of feudal nobility, on the side of literature, the book "Dream of the Red Chamber" long ago made its appearance but, on the side of history, few books have so far been published. In recent years, the China Social Sciences Publishing House has published a book--"Survey of the Kong Family"--a typical example of big landlords of the feudal nobility class. The several writers of this book made use of source materials from over 4,000 files of the Ming and Qing dynasties on the Kong family in Qu Fu, and in combination with social investigation (including a survey of the Kong family), dissected and

analyzed the various phases of a typical landlord family of the nobility class of China's feudal society. They thus revealed a lively picture of political oppression, economic exploitation, and spiritual control under the feudal system. Speaking from the standpoint of people's current understanding of China's feudal society, this book may be said as a "key." Engels described in his "Family, the Private Ownership System, and the State," the history of mankind's age of childhood, and the various scenes of the process of mankind passing through the threshold to civilization from barbarism, such as the development and changes in the form of the marriage system, and so on. Was this also found in China's history? The answer is naturally in the affirmative. However, the ancients of our country did not show clearly the history of the development of the marriage form at the childhood age of mankind. They left behind only such records as they "only knew who their mothers were but not who their fathers were," and the many beautiful fairy tales that were derived and translated therefrom. In fact, in regard to this problem the source that can give us a more vivid, richer, and more correct understanding than what the documents can give is from social investigation, particularly investigation of the social history of minority nationalities. For example, in the book "Ah Zhu's Marriage and the Matriarchal Family System of the Yong Ning Na Xi Nationality" (published in 1980 by the Shanghai People's Publishing House), the author made use of ample investigation materials to draw up a picture of the remnant matriarchal family system in the Na Xi nationality on the eve of liberation and to a certain degree reviewed the historical progress that all the nationalities of the Chinese race had passed through. Social investigation of this kind not only can enrich people's understanding of objective history but also can intensify people's comprehension of the historical theories of Marxism and possess great value both in historical studies and in theory.

Second, social investigation can also rectify errors in historical records and in historical studies. The important materials for historical studies are historical documents, but historical documents are not necessarily wholly reliable. Errors in historical documents can arise from erroneous records, or heresies, or mistakes in transcription or copying. Historical records compiled from historical documents of this kind naturally cannot avoid these errors. It was for this reason that in the Sung Dynasty, Wu Zhen [0702 4903] compiled the book "Rectifying Errors in the New Tang Records," while Li Xinchuan [2621 1800 0278] wrote "Corrections of Old Heresies." Nevertheless, both of them depended on studies of the documents to correct the errors. This was naturally necessary but some errors can be corrected only through social investigation or on-the-spot studies. During the period of the anti-Japanese war, a noted historian of the modern era, Mr Gu Jiqiang [7357 7327 0474] "traveled to and from the Tao, Huang and western Qing regions for a whole year and personally met with people of the Meng, Zang, Hui, and Tu brotherly nationalities. This greatly opened up his vision; he found that the customs of the localities were happily in accord with the histories of the Middle Kingdom." Subsequently, he arrived at Yunnan and "toured the territories of the Yi, Tai, Miao, and Yao nationalities." In this process, he conducted social investigation in earnest. His book "Miscellaneous Knowledge of Historical Forest--1st Edition" comprised,

in half, his impressions from book-reading and teaching and, in half, what he saw and heard in his sojourn in the minority nationality areas. The book is enlightening and frequently provides counsel and judgment on the suppositions of political speakers and the fallacies of master politicians in the Han and Wei dynasties. (Preface to "Miscellaneous Knowledge of Historical Forest") Mr Gu is an extremely learned personage. In his historical studies he combined documentary materials with social investigation and thereby rectified errors on certain traditional concepts. This clearly proves that social investigation is indispensable to historical studies. After making on-the-spot investigations, the celebrated historian and geographer Mr Shi Nianhai [0670 1819 3189] proved that in 1082 A.D. the great Yong Le battle between northern Sung and western Xia had been fought not in the Yong Le village southwest of Mi Zhi County of Shaanxi Province but in Ma Huyu of Mi Zhi County. He also proved the pure fabrication of what ancient people and even people at present had repeatedly talked about of the existence and role of the "Chao-Fei Canal" (canal connecting the Fei River and the Shi River in Anhui Province). Furthermore, he proved that the exact location of Xiao Guan which had been at a time well-known during the periods of the Warring Kingdoms and the Qin and Han dynasties was not in San Kuan-kou west of Ping Liang County but quite possibly at the watershed at the upper stretches of the Jing River's branch stream, the Wa Ting River, and the Qing Shui River; and so on and so forth. It was for this reason that Mr Shi feelingly said: "Despite the falsehood of colloquial sayings, they have become treasured words"; and "if indeed one does not personally go to the scene, errors may creep in one after another, breeding something from nothing and rectification will not be easy." ("Collection of Rivers and Mountains," Vol 2, Author's Preface) Mr Hou Jen-zhi [0186 0088 0037] made an investigation of the Yulin region in northern Shaanxi and disclosed the rumormongering of Chinese and foreign geographers that "Yulin had changed its city site three times" (meaning that since its establishment the city had moved its site southward three times to escape the scourge of wind and sandstorms). (See "Theory and Practice of Historical Geography," pp 125-138) This may also be cited as an example of the above-mentioned category. Viewed from the understanding of Marxism, in rectifying the errors of past historical records and historical studies by means of social investigation and on-the-spot surveys, historical workers are in reality displaying the spirit of respect for facts and the work style of seeking truth from facts. This should be greatly promoted and put into full play.

Third, the importance of social investigation to historical studies also lies in that it points the way for historical workers to obtain a new understanding of history. In recent ages, following the development of archeology, each and every important archeological discovery has almost always provided the historical researchers with some new understanding of history. There are plentiful instances of this kind. Even in the case of ordinary or general social investigation or on-the-spot survey, historians can still widen their thoughts, acquire new knowledge, and thereby generate new ideas and observations. In our country's history, many historians with reputed accomplishments all had done investigation and survey work on society. Among them an outstanding personage was Szema Chien [0674 7456 6692]. Beginning when he was 20, he toured regions along the rivers Yuan,

Xiang, Wen, and Sze and his footsteps reached such localities as Qi, Lu, Liang, Chu, Ba, and Shu. His book "Historical Records," or the "Shi Ji," was written with bountiful contents of flesh and blood. The book was praised by Lu Xun as the peak of the poetic production of historians and as a rhythmless "Li Sao" [classic Chinese poem]. ("Outline of History of Han Literature," "Collection of Lu Xun's Works," Vol 9, p 420) This has a great relationship with his having made an extensive social investigation and having in his grasp rich social and historical knowledge. At the time of Emperor Yang of the Shu Dynasty, Pei Ji [5952 4251], an official of the minister's rank of the board of civil office was in charge of trade affairs in the Zhang Yi area between the Shu Kingdom and countries in the western region. As a result, he came in contact with many merchants of the western region. He then "toured the various foreign countries, studied their customs, visited their river areas, mountains and strategic regions, and compiled 3 volumes of 'Pictures and Sketches of the Western Region'; embracing in all 44 nations." (Biography of Pei Ju in "New Annals of the Tang Dynasty") In the preface of his book, Pei wrote: "Great changes have happened in the history of the western region; some are old countries but bear new names; and some of the people are new residents but assumed the status of old residents." Hence, "special surveys were undertaken and visits were made to various foreign people. In case of doubt, questions were asked of the populace. Drawings were made of the dress, ornaments, and bearing of the local people and also of the appearances of the nobility and of the commoner." ("Biography of Pei Ju: Annals of Sui Dynasty") From this, it can be seen that Pei Ju was skillful in making social investigation and, on the basis of his skill, he compiled the book "Pictures and Sketches of the Western Region" which comprised man's latest knowledge of the history, geography, and people's customs of nations in the western region. Toward the end of the Tang Dynasty, Fan Chao [2868 4862] compiled the "Book on Barbarians." This book was in 10 volumes, mainly touching on the history and geography of Yunnan. This compilation was also the results of the author's on-the-spot investigation and survey. "He did a round of investigation and research on the southern province" and then combined with studies of past documentary materials to complete the compilation. ("Comments on Preface to 'Book on Barbarians'" by Xiang Da [0686 6671]) In the current period, many of the creative ideas of contemporary historians are also indivisible from social investigation and on-the-spot survey. People who have read the article "Visiting Relics in Neimenggu" written by Comrade Jian Bozan [5054 0130 6363] cannot help being greatly inspired by the author's deep sentiments for the history of the motherland and by the poetic style of his writing.

In the last part of his article, he wrote with great feeling: This visit may be said to have given me a very good lesson on Menggu's history. It may be said to have revealed an historical secret which is why the great majority of nomads have roamed from the east to the west to surmount the historical theater. Now I know the reason. This is because in the western part of Neimenggu there is a large piece of grassland known as the Hu-lun-bei-er grassland. If the whole of Neimenggu is taken as the historical theater of the nomads, then this grassland is the backstage of this historical theater. Many of the nomads have completed their make-up in the

Hu-lun-bei-er grassland, that is to say, making their necessary preparations in the grassland before emerging onto the scene. ("Collection of Jian Bozan's Essays on History," pp 398-399)

Such an understanding can be obtained only through making a survey of the Hu-lun-bei-er grassland and the fact that even such a noted historian as the old gentlemen Jian Bozan himself had made the claim of having studied "a good lesson on Menggu's history," clearly demonstrates the importance to historical studies of social investigation or on-the-spot survey. In the foregoing, mention was made of Shi Nianhai who, by means of making field surveys, rectified errors in certain documentary materials and helped to correct oversights and omissions in certain documentary materials. In Mr Shi's opinion, this was not the main task of making field surveys but that surveys of this kind had the main mission of acquiring an understanding of the changes and the effects of such changes in the natural environment of the historical period and of making these changes and effects become the basis of utilizing and transforming nature of the current moment. (See "Collections on Rivers and Mountains," Vol 2, Author's Preface) His book "Collections on Rivers and Mountains" was the pursuance of this objective and comprised the generous results of the union of documentary materials and field surveys. In his book, he described in great detail soil erosion along the river banks and the sinking of the river bed in the middle stretches of the Yellow River and mud accumulation in the lower stretches and the river changes bringing about formation of hills, plain, streams and valleys as well as the rise and fall of cities and rural villages. The book also touched on the relationship between the condition of the distribution of forests and the evolutionary changes of the Yellow River and also discussed the strategies of conservancy work on this river from now on. At the same time, he mentioned the phenomenon of the south-north reverse flow of water in the lower stretches of the Chang Jiang and the problem of the possibility of this phenomenon causing losses to future economic construction. These creative observations on the relationship between natural environment and social life may be attributed to a large extent to the author's work done in field surveys. All these facts illustrate that if the historical worker, in his historical studies, wishes to make any revelation, discovery, creation or progress, he cannot completely confine himself to the enclosure of his studying room and to mere book reading.

Finally, viewed from the standpoint of development, many of the social investigations are for the purpose of accumulating materials for future historical studies. There is no gainsaying that social investigation is a necessity for those studying history of the modern era. It is true that some social investigation materials regarding realistic living may not necessarily have been made for inclusion in the writing up of modern history, but with the passage of time, they will become valuable historical documents. Speaking from this context, the social investigation of today is for the purpose of accumulating materials for future historical studies. Comrade Mao Zedong's rural investigation done in the early 1930's, such as the "Xin Wu Investigation," "Xing-Guo Investigation," "Investigation of the Chang Kong Countryside," and so on, was made for the purpose of formulating

the tactics and policies of the revolutionary struggles and also for the purpose of formulating policies for the revolutionary base areas. But today, after the passage of more than half a century when we study the history of that period, these investigation materials have become historical documents of the most authoritative and true character. Last year, old master Bai Shou-yi [4104 1108 1744] presented me with a copy of the revised edition of "Rural Society in Southern Xinjiang" (one of a series of publications on social and historical survey of China's minority nationalities published by the Xinjiang People's Publishing House, October 1980, 2d Edition). The 1st edition of this series appeared in 1953. At the time, it served as a series of books reflecting the conditions of the time and was intended mainly for reference purposes by comrades engaged in rural work. From this series of books, we can see the basic conditions of rural society in southern Xinjiang before liberation as well as the vast changes that have occurred in the rural villages in southern Xinjiang 3 years after liberation. Thus, reading this series of books today is tantamount to studying the history of southern Xinjiang. In the early 1950's, a nationwide (excepting Taiwan Province) social and historical survey was made on the regions occupied by the minority nationalities. The number of characters written in connection with this survey was in the neighborhood of some 200 million. To those historical workers today studying the social and historical changes among the minority nationalities both before and after liberation, these accumulated materials represent an immense fortune of extremely valuable historical documentary materials.

It can thus be seen that social investigation not only has an important significance in the study of past history but, in leaving to future generations true and verifiable documentary materials, also has an important significance in future historical studies. Shall we interpret it in this way: The more historical science faces the future, the more necessary is it to conduct vast and extensive social investigations? In the 1840's, Engels made a survey of the conditions of the working class in England and in the 1920's and 1930's Comrade Mao Zedong conducted a survey of the condition of the peasant class in China. To a definite extent, both of these surveys have marked the opening stages of vast and gigantic revulsions and changes in history. Now, we are in the midst of an era of gigantic reform. Our historical workers can seek enlightenment from both Engels and Comrade Mao Zedong and link historical studies and social investigation with the current social reform. If it is at all possible to procure a sufficient number of historical workers to make a relatively close survey of each village, each countryside, each county, or each mine or plant, each enterprise, and each city or town in China of the 1980's, then this not only can be of immense service to the current reform but also can accumulate valuable documentary materials for the development of China's historical science in the 21st century. This is like killing two birds with one stone.

The new historical era demands that the historical workers continuously expand their vision, that is to say, they not only should intensify their study of historical theories and historical documents but also pay close attention to the vast magnitude of social life. They should, in a planned

manner, conduct certain social surveys and on the basis of such a combination offer new creative ideas and achieve new results. This is necessary in the study of modern history, national history, and the history of the localities. Similarly, it cannot be overlooked in the study of modern history, ancient history, and other kinds of special history.

CSO: 4004/85

IN PRAISE OF THE SPIRIT OF SEEKING TRUTH FROM FACTS

Beijing RED FLAG in Chinese No 14, 16 Jul 84 p 40

[Article by Zhang Tiefu [1728 6993 1133]]

[Text] At the Shanxi provincial agricultural work conference, Yuanping County was commended as a county achieving the result of doubling its agricultural output in 1983. Later on it was discovered that the figure for the agricultural output value was incorrect, and the total output value fell several million yuan short of the requirements for a county to achieve the result of doubling its agricultural output. Therefore, the county made a request to the provincial authorities that its title of double-output county be revoked.

The leading comrades of Yuanping County were right in doing this. Their action truly reflects our party's fine tradition of seeking truth from facts. That is, no attempt is made to resort to deception in winning honor, but every action is aimed at doing practical things and achieving practical results so as to make contributions to the party and the people.

Our party has always upheld the practice of seeking truth from facts, and because we represent truth and the interests of the people, our undertaking is always advancing and developing, and our achievements are of primary importance. Therefore, there is no need for us to tell lies, rather, we want to adhere to the truth and respect the objective reality, and call a spade a spade. During periods of war, we gave statements genuinely listing all the figures concerning the number of enemy soldiers annihilated, and the amount of weapons captured. With regard to our economic construction, every year we set out the true figures concerning the amount of grains harvested, the quantity of cotton gathered in, the output of iron and steel, and the growth of the national economy. All these figures were calculated and announced in a matter-of-fact manner, with a spirit of being highly responsible to the people. Achievements were reported objectively, and shortcomings and defects were pointed out, so as to promote the good and overcome the bad, and to continue to advance so that still greater victory could be won. This is our fine tradition.

However, under the influence of the "leftist" ideology, for a period of time--such as the period when the slogan of one day being equivalent to

20 years was in vogue--the work style of seeking truth from facts was sabotaged. Excessive targets, excessive estimation of output, excessive procurement, and a tendency to boasting and exaggeration were very much in fashion, thereby seriously undermining the national economy and causing extremely difficult consequences to the state and the people. This lesson was very bitter indeed.

During the 10 years of internal turmoil, Lin Biao and the "gang of four" promoted the practice of doing and saying false, big, and empty things. Those who were telling lies came into power, those who started rumors were regarded as truth-seekers, and those who adhered to the style of seeking truth from facts were maltreated. Serious disasters resulted from such practice politically, economically, and ideologically, and even in terms of work style.

After the 3d Plenary Session of the 11th CPC Central Committee, the CPC Central Committee brought order out of chaos, restored and developed our party's traditional style of seeking truth from facts, and did everything in the spirit of conforming to the reality. The whole party and the people of the whole country have implemented the correct line, principles, and policies formulated by the CPC Central Committee, conducted reforms and carried out the building of the four modernizations with high spirits and vigor and in a down-to-earth manner, and they are striving to build socialism with Chinese characteristics. In the rural areas, since the implementation of the responsibility system with payment linked to output, concentrated efforts have been made in developing commodity production, and the appearance of the countryside has greatly changed. In 1983, the output of the principal products such as grain and cotton has already reached the targets originally set for the year 1985. The livelihood of the peasants has been universally improved, and some of the rural population have become rich before others.

Facts have proved that with regard to the reform of the economic system in our countryside, the relevant policies are correct, the pace is steady and sure, the results are positive and practical, and the work style of cadres has been markedly improved. Recently, the central leading comrades have reminded us that under the present excellent situation in rural areas, it is necessary that the leadership at various levels should keep a sober mind and pay attention to discovering and overcoming those unhealthy tendencies; in particular, it is necessary to guard against the bad style of boasting and exaggeration, "giving everything the same treatment," and formalism, all of which have had a profound influence on our cadres, and which will revive at any time, given the opportunity. As our countryside is vast, the situation of imbalance in our work will continue to exist for a long time. At present, the livelihood of most of the peasants has improved, but there are still a small number of households suffering from various kinds of difficulties; most of the areas have taken a turn for the better, but there are still a few poor and backward areas. We encourage and support a portion of the rural population and areas in getting rich through hard work, but in our work, we should not neglect the poor households and the poor areas and should not let them drift off on their own course. The present

problem to be settled in the countryside is still the correct implementation of Central Document No 1, and the furtherance of the ideology and style of integrating emancipation of the mind with seeking truth from facts. It is necessary to emancipate the mind, be bold in conducting reforms, and be practical in doing things and saying things, and it is not permissible to resort to deception and fraud, and to cheat the upper levels and oppress the lower levels. Only in this way can we unite the broad masses and cadres and further develop the existing new situation in rural areas.

CSO: 4004/84

GREAT ACHIEVEMENTS IN ECONOMIC AND SOCIAL DEVELOPMENT IN THE 35 YEARS
FOLLOWING THE FOUNDING OF THE PRC (STATISTICAL DATA, PART IV)

Beijing RED FLAG in Chinese No 14, 16 Jul 84 p 41

[Article by the State Statistical Bureau]

[Text] Changes in Economic Composition

Breakdown of Workers by Structure (%)

	<u>1952</u>	<u>1957</u>	<u>1978</u>	<u>1983</u>
Whole people ownership units	5.7	8.9	18.7	19.1
Township collective units	0.1	2.7	5.1	5.9
Township individual units	4.3	0.4	0.1	0.5
Rural collective and individual units	88.0	86.5	76.1	74.5
Others	1.9	1.5	0	0

Number of Workers (10,000)

	<u>1952</u>	<u>1957</u>	<u>1978</u>	<u>1983</u>
Whole people ownership units	1,187	2,103	7,451	8,771
Township collective units	23	650	2,048	2,744
State-private units	393	3,101	9,499	11,515

Township Individual Workers (10,000)

1952	883
1957	104
1978	15
1983	231

Breakdown Structure of Total Industrial Output Value (%)

	<u>1952</u>	<u>1957</u>	<u>1978</u>	<u>1983</u>
Whole people ownership units	41.5	53.8	80.8	77.0
Collective units	3.3	19.0	19.2	22.0
State-private units	4.0	26.3	0	0
Private units	30.6	0.1	0	0
Individual units	20.6	0.8	0	0.1
Others	0	0	0	0.9

Breakdown of Total Social Commodity Retail Sales (%)

	<u>1952</u>	<u>1957</u>	<u>1978</u>	<u>1983</u>
Peasant retail sales	4.3	2.8	2.0	4.7
Whole people ownership units	34.4	62.1	90.5	72.1
State-private units	0.4	16.0	0	0.1
Private and individual units	60.9	2.7	0	0
Collective units	0	16.4	7.4	16.6
Individual units	0	0	0.1	6.5

CSO: 4004/84

STUDY MARXISM, APPLY IT IN SCIENTIFIC RESEARCH

Beijing RED FLAG in Chinese No 14, 16 Jul 84 pp 42-46

[Article by He Zuoxiu [0149 4373 1652]; passages within slantlines denote underlining as published]

[Text] I am a natural science worker involved in research in theoretical physics. For many years now, I have been deeply interested in the study of Marxism. Apart from the fact that it is a specific science in its own right, which gives us an understanding of society, history, politics, and culture, one important reason for my interest is that Marxism broadens our horizons, and uses a scientific world view and methods to guide and promote one's own special work. In my understanding, Marxism plays a guiding role in the following four spheres.

First, the Marxist explanation of dialectical relations between science and production can help us to achieve a complete understanding of the laws of scientific development, and thereby to correct the path of one's own special research.

For a long time I have been involved in research in particle physics. Particles normally have a diameter of only 10^{-13} cm! This often means an "occupational hazard" for particle physics workers-- their horizons shrink to things less than 10^{-13} cm wide. But Marxism tells us that science cannot develop in isolation from the needs of society. "Big sciences" like particle physics, which needs lots of facilities, must in particular develop according to society's needs, for if they divorce themselves from these needs they will cease to enjoy the support of the masses. The actual development of particle physics in China proves that this opinion is correct. During one period, particle physics in China strove to meet a "quota" which consisted of catching up and surpassing the world's most advanced levels. But not enough research was done on the question of the actual advantages which this would bring to the people. Later, after consideration and discussion, a program for a positron-negatron reactor [dui zhuang ji 1417 2326 2623] was drawn up. Apart from the fact that this reactor was much cheaper than the previously planned one, even more importantly a positron-negatron reactor is able to produce synchronous radiation, a light source with good orientation, which is almost monochromatic, and has great strength (more than

10,000 times stronger than the X-ray). This light source has a wide and important function both in scientific research and in society. In this way, the development of particle physics was to a certain extent linked with the needs of society, and therefore tread a relatively correct path. However, scientific activity is also a positive, dynamic activity, and on the question of how to make science promote production, we must consider it from a deeper and loftier theoretical point of view; therefore theoretical exploration and research are terribly important. Just as Engels said: "If a people wishes to stand on the high peaks of science, it cannot for a minute do without theoretical thinking." ("Selected Works of Marx and Engels," Vol 3, p 467) Therefore, a modern theoretical physicist must, on the one hand, draw nourishment from the fruits of modern theory, and constantly push forward; and, on the other hand, he must resolutely put these achievements to specific uses. This is a basic duty of the modern theoretical physicist.

Second, the Marxist description of the laws of understanding points out the direction for scientific research activities.

On the one hand, science develops in accordance with the developing needs of society, but at the same time it follows laws of development of society. In his work "On Practice," Mao pointed out that in order to reflect the nature and laws of objects, "it is necessary to go through a process of thought, and from the rich body of perceived data throw out the dross to retain the essence, discard the false and retain the true, and proceed from one thing to another, from the surface to the center, transforming and creating." ("Selected Works of Mao Zedong," Vol 1, p 268) This is a necessary law of understanding. This law shows a marked periodicity in the whole process of understanding, such as the perceptive period, the reasoning period, and so on. In scientific work, it is important to correctly assess whether a certain sphere or scientific problem falls into one stage of understanding or another. For this, we must be good at /judging the hour and sizing up the situation./ The central question in particle physics 20 years ago concerned the clarification of from what stratum of material were particles formed; in other words, our understanding was at the stage of /substance./ The stratum models researched by China's scientific workers during the period 1965-1966 represented a theory produced in line with this stage. Twenty years later, particle physics consists of explaining the general laws under which particles exist; that is to say, we have evolved from a substance stage in our knowledge to a /law/ stage. This trend is represented by quantum chromodynamics, and the attempt to link quantum chromodynamics with the various other field theories on compound particles and with equations on the movement of compound particles. As to particle physics 40 years ago, that was of course concerned with the any phenomena displayed by various particles; it was an era in which the first laws of experience were being unearthed and initial attempts made at drawing conclusions. Therefore, almost all the best theorists of that time were "phenomenologists" [wei xiang li lun 0787 6272 3810 6158]. because at that time, all scientific exploration was in the /phenomenology/ stage. And where will particle physics go in the future? The only possible answer here is that particle physics will take another flight, toward application, or in other words a process of putting

knowledge to use. Of course, the word "application" cannot be viewed in its narrow sense. Particle physics will permeate other spheres, and the experimental techniques developed in particle physics will be transferred to other spheres of scientific experiment; moreover, many of the techniques accumulated in the process of particle physics research will be transferred directly to the sphere of production. Also possible is the development of some other new production sectors, such as photon factories, meson factories, neutron factories and so on. This is just what happened 30 years ago when nuclear physics began to be applied. As to the possibility of particle physics beginning to explore even deeper levels of matter, that would represent another stage of understanding. In scientific research, there seems also to be a tiny part of our work which is exceptional, in that it is "ahead of its time," like research into general theory of relativity, research into gage theory, and so on. But in general, science is only able to solve questions which have become ripe during its own era. Einstein, who put forward the relativity theory, and Chen Ning Yang [Chinese-American winner of the Nobel Prize for Physics in 1957] who put forward the gage theory, apart from their ability to look forward to the questions which would ripen in the future, were also masters at both starting from empirical facts and conducting profound theoretical work. Einstein explained photoelectric effect and the Brownian movement, put forward the laws of radiation and Bose statistics, and gave an outline and summing up relativity in its narrow sense. Chen Ning Yang and Li Zhengdao were the discoverers and proposers of the phenomenon of the nonconservation of parity. Chen Ning Yang research into various methods for tracing the movement and parity of particles, and research and described the flow of high-energy scattering rays. Li Zhengdao and Chen Ning Yang were both masters at uniting their experimental work with theory. Moreover, even in the case of the theory of relativity and the gage theory, had they not been proved by a series of subsequent findings, and had there been no bridge solving the problem of uniting these theories with experimentation (such as the Hegers mechanism), these theories could not have been developed or recognized by experimentation. The Marxist concept of epistemology will help us to correctly assess our own era, and thereby to correctly analyze the sort of situation faced in our experimentation, whereupon we will be able to put forward the theoretical tasks we face.

Third, the methodology for the issue of knowledge expounded in Marxism arms natural science workers from the point of view of thinking.

Conducting scientific research is impossible without a certain research method. To a certain extent, the correctness or otherwise of this method dictates the outcome of the work. In scientific work, you will frequently come up against a large number of methodological questions. The most beneficial area of Marxism for scientists is precisely the scientific methodology it puts forward. If they are thoroughly familiar with this methodology, they can solve the difficult problems they came across from /the high plane of principle/. The sequence of understanding is always from an understanding of the simple to the complex, or in the words of Marx, understanding begins with the abstract, and ascends gradually to the specific. This specific is not the specific of the perceptual

stage, but that of the rational stage. For example, when you are involved in theoretical physics research, you cannot do without the use of a computer. Computers can help people solve equations with a precision previously impossible, and can bring together all sorts of complex factors in finding its solution. It would seem then that to solve a question, all you have to do is find a way to make a program and feed it into the computer. But in fact, this is a method of thinking which assumes that it is easy to tread a winding path. As soon as you feed a set of complex factors into a computer, it will provide you with mathematical results which will shorten the process from the abstract to the specific. But first, these calculations may be wrong (either because the program was wrong or because of computer malfunctions); and second, a mere mathematical result by no means signifies that we have clarified some law of development; and this is precisely what theoretical researchers must pay attention to most. If we are to clarify the laws, then we must abandon certain secondary factors and simplify the equation. And only when we have clarified the laws displayed in the simplified equation can we begin to add the various complex factors and thereby thoroughly clarify the real appearance of the thing we are researching. Therefore, even with a computer, we still need the Marxist explanation of the laws of understanding as a guide.

In scientific work we frequently come up against complex contradictions which are difficult to solve. But in my opinion, Mao's assertion in "On Contradictions," that in research it is vital to grasp the main contradiction, is an extremely important one. In the process of researching questions, we often discuss precisely this question: What is the main contradiction involved in our present research, how will this contradiction shift and change under certain conditions, and will it give way to another main contradiction. Only through a constant process of turning the abstract into reality can we gradually reach the specific, and reproduce on a computer this "specific in the stage of reason."

There are many different methods of understanding used in scientific research, and a deep examination of the Marxist discussion of methodology will greatly enhance the standard of scientific work.

Fourth, in researching the basic questions of physics it is essential to recognize their connection with philosophical questions and to take into full consideration the Marxist discussion of the concept of nature.

What is worth deep discussion is the relationship between the Marxist concept of nature and natural science research. For a time, especially while the "gang of four" was running rampant, some people made far too much of the "guiding" role of the concept of nature over natural science, as if following this "guidance" would mean that you could dispense altogether with concrete research in the scientific sphere, and still come out with specific scientific conclusions. For example at that time, some people, on the basis of the dialectical materialist concept that all things were subject to change and development, criticized the basic principle of relativity in the narrow sense, the "principle that the speed of light does not change," considering it metaphysical and idealistic, and saying that

it should be "overthrown." In fact, this was a grave distortion of Marxism. Marxism does indeed talk about development and change. But it by no means discounts the idea of relative rest and lack of movement under certain conditions. Change or lack of it is dictated by specific conditions. Therefore, no specific conclusion can be "repudiated" merely on the Marxist principle that all things are subject to development and change. In the case of the speed of light, the theory of relativity says that it does not change in a physical vacuum. In a medium, it does change. In a gravitational field, it will distort. In a black hole, the light ray would bounce around forever, unable to escape. But under vacuum conditions, its speed would not change; this point has been proven in precise scientific experiments, at least to a considerable degree of accuracy. In fact, all laws are relatively unchanging under certain conditions; if this immutability is denied, then there are no laws at all to speak of. Therefore, the above assertion is in fact "hotheaded nonsense" based on an untenable distortion of Marxism. It has nothing whatsoever to do with genuine Marxism. Put another way, if we consider the Marxist discussion of the concept of nature to be nothing more than unnecessary prejudice, and already "out of date," we are also totally mistaken. The Marxist concept of nature is a highly abstract outline of the developmental laws of nature. There is often a great gap between this highly abstract thesis and a specific scientific object, and therefore if we fail to make deep, specific analysis of specific objects, thinking instead that we need only use Marxist phrases to solve certain questions, we will often be "guided" onto mistaken paths. Certain mistakes in natural dialectics in the past occurred because of this. But we must by no means think that research into the Marxist concept of nature is an unimportant matter, because scientific methodology must have as its theoretical basis scientific ontology, otherwise research into method will become playing with method! Especially in the sphere of specialist research into basic theoretical questions, certain Marxist theories on the concept of nature often provide inspiration to people in many spheres. For instance, the thoughts on the limitless divisibility of things can to a certain extent help our particle physicists to establish a straton model. Again, the thinking on the unity of opposites between the continuity and lack of continuity of things, along with the idea that not only particles but fields may be divided, can to a certain extent help particle workers establish a combined particle quantum theory. Over the past few years, I and several colleagues have become interested in neutron mass. One important reason for this is that the question of whether neutrons have mass or not is connected with an important question involved in a concept of science, that is, the question of whether or not the universe is limited. If neutrons have a specific mass, this will be of help in solving discussions on the universe and certain connected philosophical problems. Of course, if they do not have a fixed mass, then the difficulties which exist at present in the above spheres cannot be solved by following this track. However, from a materialistic point of view, the various phenomena of the material world can only be explained by reference to the material world itself, not from any other world (such as the spirit, gods, or their various manifestations). As long as we follow this path, there will come a day when we find the correct answers. But this answer can only come through deep research into the material world, not through

"repudiation" based on some world view, followed by an assessment of the correctness or otherwise of a certain theory. That is to say, a world view cannot replace scientific research. By the same token, without a correct world view, we might be unable to unearth from a large quantity of data any scientific conclusion which has significance in terms of principle. We will then be making the mistake of "losing the conclusion." Before liberation, China's archeologists made an outstanding achievement when they unearthed the Yin Dynasty ruins in Anyang Prefecture. However, in the face of a large body of data, some bourgeois academics were unable to come up with any scientific theses. At the time, however, the Marxist scholar Comrade Guo Moruo pointed out that this was ironclad evidence that China had a slave system in ancient times, because only in a society which had a highly developed slave system would one find the skeletons of so many slaves. Comrade Guo Moruo criticized the bourgeois scholars of the time for holding up a golden ricebowl and asking for food. From 1965-1966, many Chinese particle physicists worked together to research a straton model. The question of whether or not particles were made up of strations was decided on the basis of a large amount of scientific data. However, had we not been guided by the concept that things are infinitely divisible, which could explain that particles could be divided further, we could not have gathered together 39 physicists to decide it. In theoretical physics research, apart from having to realize the scientific value of one's own sphere of research, one must also realize its philosophical significance; this is often the factor which decides the size of one's scientific achievement. Whether or not one has this philosophical view is dictated by how well one has studied Marxism.

The four above aspects represent some initial understanding based on my study of Marx and its application in natural science research. I feel that studying Marxism is by no means an easy thing; apart from having to study written knowledge, it is even more important to study and gain an understanding of Marxism in practice, and constantly to sum up one's experiences in practice. Many comrades, particularly the younger ones, cannot really understand this /practical nature/ of Marxism. Having studied Marxist works, some younger comrades find it impossible to apply the knowledge they have gained. However, they do not blame themselves for having failed to understand this practical nature of Marxism, but instead blame Marxism for being useless. In fact, any science, for example mathematics, if it has not been studied well, cannot be applied either. Correct thinking on the part of one person is not God-given. Correct understanding can only be gained through practice. Of course, what we mean by the practice of thinking embraces personal participation in scientific research, and the observation of the practical research of others, that is, learning from teachers and other colleagues, and people in ancient times. However, learning from others must be based on one's own practical research experience, and genuine skill in scientific thinking can only be tempered and improved through personal participation in scientific research; it cannot be mastered automatically by reading a couple of books on scientific methodology. Such reading has its uses; it can help us correctly to sum up experience and avoid taking /unnecessary/ detours. Detours are bound to occur, and only in practice is it possible to find out how these

detours were taken, and how to get out of them. Therefore, the study of Marxism is a process of long-term, constant study of Marxist works, and at the same time linking this with the practice of scientific research. As long as people resolutely uphold the combination of theory with practice, and constantly put this principle into practice, they will make significant explorations in this sphere.

CSO: 4004/85

WHY DO WE SAY THAT HANDLING ECONOMIC RELATIONSHIPS SMOOTHLY IS AN EXTREMELY IMPORTANT ISSUE AT THE PRESENT MOMENT?

Beijing RED FLAG in Chinese No 14, 16 Jul 84 pp 46-47

[Article by Wang Yongyin [3769 3057 6892]]

[Text] In his "Government Work Report" at the Second Session of the Sixth NPC, Comrade Zhao Ziyang pointed out that one important thing at present is that economic relationships are not handled smoothly, which has a great effect on the beneficial cycle of the whole economy. Why do we stress that we must handle economic relationships smoothly? In what areas is this issue an important one?

Since the 3d Plenary Session of the 11th CPC Central Committee, we have done a lot of readjustment work in the national economy; the ratio between agriculture and light and heavy industry, which was unbalanced for so long, is beginning to be readjusted, the disproportion between accumulation and consumption has seen great improvement, economic growth is beginning to be lively and dynamic, and the situation is improving year by year. But it must also be realized that the task of handling economic relationships smoothly has not yet been accomplished; in particular, many new contradictions and problems encountered since the livening up of the economy need to be sorted out.

First, there is a need for further readjustment in the structure of industry. With regard to the ratio between agriculture, light industry and heavy industry, what we must now pay attention to is that following the expansion of the scale of capital construction, the trend is toward a much faster growth rate in agriculture and heavy industry than in light industry. In 1982, the heavy industry growth rate stood at 9.9 percent compared to a drop of 4.7 percent the previous year, while light industry dropped 5.7 percent compared to a rise of 14.1 percent the previous year. In 1983, there was some quickening in the pace of light industrial growth, but heavy industry grew faster. Once the economic readjustment has "bottomed out," a certain pickup in heavy industry is normal, but if it grows too fast, it may give rise to the reoccurrence of heavy industry pushing out agriculture and light industry, leading to another imbalance between agriculture, light industry, and heavy industry. Though we can say that there have been initial improvements in the previous situation in which agriculture tended

to involve almost exclusively grain production, the big problem awaiting solution is still how to bring agriculture into line with the requirements of China and its exports, and how to achieve the proportional and all-round development of farming, forestry, animal husbandry, sideline industries, and fishery, and that of grain, cotton, oil-bearing crops, hemp, silk, tea, sugar, vegetables, tobacco, medicine, and food grains other than wheat or rice. We also have to achieve a balance between supply and demand in these aspects. Light industry is not yet adapted to the changing needs of the market; on the one hand many light and textile industry products are piling up unsold, while on the other hand some of society's purchasing power is not being used. In heavy industry, the tight energy situation has not yet been ameliorated, and the problem of raw materials industries lagging behind the processing industry remains an acute one.

Second, many problems exist in the distribution relations of the national income. In order to solve the various problems which have accumulated over many years in the people's livelihood, the state has over the past few years made a great effort to readjust the ratio between accumulation and consumption. Of the newly added national income over the last 5 years, 85.6 percent was used on public spending, while only a small portion was accumulated. In 1978, the financial income was 37.2 percent of the national income. This was too high; but in 1982 and 1983, after all sorts of measures were adopted to gather funds, this proportion sank to 25.4 and 25.9 percent respectively. This was obviously too low. Because the financial power directly in the hands of the state was relatively small, it was difficult to guarantee key construction and other necessary items for which expenditure is necessary, to the extent that we saw deficits for 5 years running and had no choice but to rely on bank loans and overdrafts to solve the problem, while banks had no choice but to print more money.

Third, the pricing system is highly irrational. The purchase price of agricultural products is pegged, so that the faster agriculture grows, the more subsidies the state has to pay. In industry, the fact that processing industries make high profits, while raw materials and fuel prices have low profits or even produce losses, means that the processing industries are encouraged to develop blindly, while the contradiction of insufficient energy resources and fuel cannot be ameliorated. Accommodation and certain welfare services are on the cheap side, and the more development that is seen in these spheres, the greater the burden on the state. Prices for import-export products are also rather confused. In 1983, the total figure of state government subsidies represented 40 percent of the domestic financial income of the same year, a degree already difficult to bear. The irrational pricing system is one important reason for the inability to balance state credits. If this problem is not solved, it will be very difficult to find a fundamental solution to the state's financial difficulties and many other problems in the national economy.

Fourth, the irrational state of enterprise organization structure is still fairly serious. Many enterprises which should have been shut down, stopped production, or switched to another production line, have not really been dealt with, and at the same time many new small enterprises have been

built--enterprises which are technologically backward, high in consumption, and low in quality. The degree of specialization in industrial production is not yet high, and we are a long way from our goal of rationalizing the organizational structure of enterprises.

Fifth, there are many problems concerning the need to smooth out the economic system. By now, China's rural reform has achieved great results, but the urban reform has only just begun. Urban reform is far more complex than rural reform, and if we are to do a good job of it, the relevant departments and areas must simplify their administration and devolve power. In this situation, the questions of how to handle relations between the central and local authorities, horizontal and vertical relations, between good management and allowing enough freedom to enliven the situation, and the relations between state, enterprise, and laborer, are all real questions which we must grasp, research, and solve.

To sum up, on the issues of the major economic ratios, the pricing system, the economic system, and the organizational structure of enterprises, many important economic relationships have not yet been smoothed out. Only by so doing can we achieve a speedy growth in economic efficiency in production, construction, and communications; carry out key construction in energy production and communications, and the technological transformation of existing enterprises; bring about a fundamental turn for the better in the state's financial and economic situation, and build good foundations both for the economic development of the 1990's and the realization of our economic goal of struggle for this century. If these economic relations are not handled well, even if the state invests more financial and material resources in economic construction, it will not only fail to achieve the predicted goal of economic development, but there may even be difficulty in maintaining the economic goals already achieved. Therefore, the smooth handling of economic relations is an important matter with a bearing on the future and fate of China's four modernizations drive, and must be accorded an important place in our economic work, and really be grasped thoroughly and well. The task of smoothing out economic relations is a formidable and arduous one, and particularly in our present conditions of financial difficulty, it requires us to carry out reform, while reform meanwhile is limited by our financial capacity. And the fact that the pricing system cannot be thoroughly reformed in a short time increases these difficulties. Therefore, on the question of handling economic relationships smoothly, we must have both a sense of urgency and the spirit of advancing in the face of difficulties; we must smooth out economic relations wherever possible and as quickly as possible, but we must also pay attention to starting from reality, combining necessity with possibility, and preparing to make determined efforts in light of the central leading comrades' demand that economic relations be smoothed out within the next 3 to 5 years.

CSO: 4004/84

WHY DO WE SAY THAT IN APPRAISING THE VALUE OF MAN IT IS FIRST NECESSARY TO LOOK AT HIS CONTRIBUTIONS TO SOCIETY?

Beijing RED FLAG in Chinese No 14, 16 Jul 84 pp 47-48

[Article by Wang Dongming [3769 2639 2494]]

[Text] In his article "On Humanitarianism and Alienation," Comrade Hu Qiaomu said: "When assessing the value of a person, you must look not only at whether his existence and needs are recognized and satisfied by society and by others, but even more importantly at what responsibility he carried out toward society and others, and at what contributions he has made." This is a brief, straightforward description of the proletarian concept of the value of man in a socialist society.

This concept of human value is founded on the basis of historical materialism. Marx said: "The essence of a man is by no means an abstract thing belonging to each single person. In reality, it is the sum of all social relationships." ("Selected Works of Marx and Engels," Vol 1, p 18) The history of social development proves that man has always been a product of society, and there is no such thing as a totally "independent" man isolated from a certain society, class, or group. Moreover, the more developed and modernized a society becomes, the more thoroughly man expresses his social nature, and the more intimate the organic relationship between the individual and the group, or the individual and society, becomes. Human value is historical, specific, and can only be described and effected within a certain social relationship. Therefore, if an individual wants to fulfill his own value, he must throw himself into the actual movement of society, contribute to society, the group, and others. Only when a person contributes to society can society possibly fulfill his individual needs; without contributing, these needs are unfounded. Meanwhile, it is precisely through individual contributions to society that an individual wins the respect and satisfaction of that society and consequently realizes his own value. Here, the contribution is the condition and the basis. Without it, everything is just empty words. As to the attitude of ignoring contribution and seeking only pleasure and satisfaction for the realization of so-called human value, that is obviously nothing more than an unrealistic illusion.

The emphasis on looking at a person's contribution to society to assess his value has a high degree of unity with the communist world view and view of human life. These views consider that human value lies primarily in contributing to the communist cause and the liberation of the proletariat and the whole of mankind. In China's new historical period, then, it lies primarily in contributing to the building of socialist material and spiritual civilization. Therefore, the interests of society and the people are higher than those of the individual, and the greater an individual's contribution to society, the collective, and others, the richer and loftier his life will be and the higher his value as a person.

From the point of view of socialist morals and ethics, you should also look first at a person's contributions to society when assessing his value. Each member of society should undertake a certain social responsibility and duty. If during a person's existence he makes no contributions to society or other people, but still asks society and other people to give to him, this person has no value to speak of. In a certain sense, making certain contributions to society constitutes a responsibility and duty. Even the feudal politician Fan Zhongyan said: "Worry first about the problems of the world, then be happy about the happiness in the world." The people of a socialist society are the masters of their nation, and should therefore make even more contributions to their society. At any rate, finding pleasure in helping others is the very least moral character a person should have.

Stressing that we should look first at a person's contributions to society when assessing his value is of help to us in the practice of throwing ourselves into socialist construction. Certain comrades who like to talk about abstract humanitarianism often fall into a sort of illusory socialism, and dream that it is not necessary to carry out a long and arduous period of building material and spiritual civilization to realize human value. As soon as this unrealistic illusion is sparked off, it creates cynicism and disaffection with the socialist system. The affirmation that human value lies first in contributing to society brings the pursuit of human value into actual practice. This is particularly important at the present time. Today, the main thing limiting our realization of an even higher human value is a lack of economic and cultural development, the imperfect state of certain systems, certain mistakes and shortcomings in our work, and so on. Therefore, great efforts toward reforming the status quo are an essential prerequisite for realizing human value. Stressing that human value lies primarily in contributing to society is of benefit to the thorough exploitation of the subjective capacity of people, the encouragement of the socialist initiative of the broad masses, and the hastening of the building of socialist material and spiritual civilization. It is also of benefit to us in handling the relationship between the individual and society. The realization of individual human value is not only the result of the social activities of man, but also the result of the common effort of the collective and society. Only when individual activity has created the conditions for the realization of the human value of the majority of society's members can individual human value be realized. Once we understand this reasoning, we can gain a clearer understanding of the relations between society and man, and thereby consciously overcome individualist thinking.

Stressing that the value of man lies primarily in his contributions to society by no means discounts or negates the interests of the individual. Socialist society ought to treat correctly all the various normal and reasonable needs of the individual, and within the bounds of objective conditions do its best to satisfy these needs. In reality, under normal conditions, our party has never ceased to work hard at this. The interests of the individual are connected with those of the collective and the state, and are basically at one with them. When a contradiction occurs between individual interests and those of the collective or the state, the former should be unconditionally subordinate to the latter two. If individual demands exceed a certain limit, and are seen as supreme, then the pursuit of these demands will cause losses to the collective and the state.

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'DOING AS ONE WISHES' AND 'NOT DEPARTING FROM THE RULES'

Beijing RED FLAG in Chinese No 14, 16 Jul 84 inside back cover

[Article by Li Gengchen [2621 1649 6591]]

[Text] In referring to his development, Confucius said: "I was determined to study at the age of 15, formed my theory at 30, was able to distinguish right from wrong at 40, come to know the power of nature at 50, have been able to listen to different opinions since the age of 60, and do as I wished since 70, without departing from the rules." It seems that "doing as one wishes without departing from the rules" is the most difficult. Therefore, Confucius himself said that he did not reach this stage until he was 70, and his last days were approaching.

"Doing as one wishes without departing from the rules" has been interpreted in many ways. Just as it is worded, it means that we can do whatever we wish without breaking the rules.

If we think deeply, we will find that what Confucius said is basically the same as the freedom under discipline as is usually mentioned by us today.

A saying goes: "We will not be able to accomplish anything unless we follow the rules." Trains can only move on rails or they will derail; vehicles must observe traffic rules, otherwise accidents will happen. When aircraft are flying, it seems that they are "free," but they have to follow certain routes or else they will collide with each other. Each of us has "rules for action." It means that we must observe the rules of the CPC and state and public rules and regulations. In this way we will be as free as fish in the water and birds in the sky. However, sometimes our deeds counter these rules. If we violate them, we will face education and criticism or be subject to legal punishment. This link between freedom and restriction is also the link between "doing as one wishes" and "following the rules." Even if we "depart" from "the rules," we are not completely able to "do as we wish" or there will be lack of real freedom.

Some people long for and demand "absolute freedom," but this idea is infantile and cannot be realized. In fact, "absolute freedom" has never existed in the history of mankind. Mankind is restricted by natural conditions and thus mankind is not free. All individuals are closely related to the

collective and society. Therefore, the freedom of each man influences and is related to the freedom of others, and this situation means that nobody is "absolutely free." In fact, freedom is relative to discipline, and all eras and societies have their own disciplines. The socialist society in China has its own disciplines. If all people refused to abide by these disciplines and recklessly act as they wish, they would certainly cause serious social disorder.

Discipline can be termed a regulator for social life. It reflects certain social relations while simultaneously protecting these relations. These disciplines include political discipline, organizational discipline, combat discipline, study discipline, and discipline in social public life. Various sectors, trades, and units have disciplinary demands on the basis of their own specific conditions. Qiu Shaoyun, a hero of the Chinese People's Voluntary Army caught fire on the battlefield, but his discipline while in hiding was very strict; therefore, in spite of being burned, he did not move, but died heroically. The victory of that battle would not have been guaranteed had Qiu Shaoyun not strictly abided by battlefield discipline.

Discipline means a guarantee for victory. All units and organizations will become slack and lose their zeal if they do not have strict discipline. If a man is not strong in discipline but instead is slack, he will consequently make mistakes. The facts that have been exposed show that certain people have committed crimes because they have ignored laws and discipline and behaved recklessly.

Lenin said that socialist discipline is "self-aware discipline" that has to be consciously observed by all people. In order to enable people to become highly self-aware in abiding by discipline, it is necessary to strengthen disciplinary education. Those who are receiving the education must consciously accept it, really understand the importance of abiding by discipline, and form a good habit of consciously following discipline. Of course, in stressing the importance of consciously abiding by discipline, it is also imperative to resort to disciplinary measures. Those who have violated discipline must be seriously criticized or punished. It is only in this way that the discipline will gain prestige and that people will be helped to solidly internalize the concept of discipline. So, for the sake of the grand goal of the modernization program, measures must be taken to enable people to form the habit of consciously abiding by revolutionary discipline so that they can "do as they wish" within the "rules" of the revolutionary discipline, do a good job in their work, and display their creativity freely and happily.

CSO: 4004/84

USEFUL ATTEMPTS, VALUABLE EFFORTS--READING 'A GUIDE TO THE PRINCIPLES OF MAO ZEDONG THOUGHT'

Beijing RED FLAG in Chinese No 14, 16 Jul 84 outside back cover

[Book review by Fu Pou [0265 0471]]

[Text] "A Guide to the Principles of Mao Zedong Thought," compiled by the scientific research office of the party school of the CPC Central Committee and published by the Chinese Youth Publishing House, is popular reading material with systematic exposition of the basic principles of Mao Zedong Thought.

The book is based on the scientific works of Comrade Mao Zedong and important CPC documents. Combining theory with practice, it expounds the basic features of Mao Zedong Thought in a thorough, scientific way, as well as the formation and development of Mao Zedong Thought in the practice of Chinese revolution and construction. It profoundly expounds various aspects of the theories of Mao Zedong Thought and emphasizes the stand, point of view, and methods of Mao Zedong Thought. It explains certain principles of Mao Zedong Thought in conjunction with the historical conditions necessary for the emergence of these principles, along with their application and development in revolution and construction, to convincingly analyze from the point of seeking truth from facts certain questions that have been raised by people. For example, in expounding the basic features of Mao Zedong Thought, it also explains how to scientifically treat Mao Zedong Thought and the mistakes made by him in his later years. In expounding the historical conditions allowing the emergence of Mao Zedong Thought, its early beginnings, formation, maturation, and development, it analyzes the reasons Comrade Mao Zedong made mistakes in his later years and the reasons for people's vague understanding of Mao Zedong Thought. It also expounds the historical contributions made by the CPC Central Committee in upholding, developing, and enriching Marxism-Leninism-Mao Zedong Thought since the 3d Plenary Session of the 11th CPC Central Committee.

A feature of this book is that it is easy to read. The writer presents his experiences in the study and research of Mao Zedong Thought in a vivid way and with interesting explanations. For example, in expounding the essence of Mao Zedong Thought--seeking truth from facts--he bases his arguments on the experiences and lessons of the Chinese revolution and construction in

order to profoundly prove that seeking truth from facts is a product of the practice of the Chinese revolution, the basic feature of Mao Zedong Thought, and the core of the CPC ideological line. In addition, the writer also bases his arguments on a series of questions raised by people in practice to vividly analyze and expound the question of how to resolutely implement the principle of seeking truth from facts in practice. As this book is able to discuss questions from facts to theory in a vivid and interesting way, it leaves readers with deep impressions.

The preface of the book points out that the writer "has spared no efforts to vividly expound the basic principles of Mao Zedong Thought in an overall and precise way, and these efforts represent hard work." Having read this book, I find that it represents significant and successful efforts.

This book expounds in many aspects the efforts made by the CPC under the new historical conditions since the 3d Plenary Session of the 11th CPC Central Committee in upholding and developing Mao Zedong Thought, but such exposition can still be carried out more fully and in a deeper way. Certain chapters and sections of the book can still be improved. However, taken as a whole, it is good theoretical guidance material.

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END